

ANNUAL BUDGET OF  
**MKHAMBATHINI**  
**MUNICIPALITY**



2015/16 TO 2016/18  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS

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## Abbreviations and Acronyms

|        |  |       |   |
|--------|--|-------|---|
| ASGISA | Accelerated and Shared Growth Initiative         | M     | Mayor   |
| BPC    | Budget Planning Committee                        | MBRR  | Municipal Budget & Reporting Regulations      |
| CFO    | Chief Financial Officer                          | MEC   | Member of the Executive Committee             |
| CM     | Municipality Manager                             | MFMA  | Municipal Financial Management Act            |
| CPI    | Consumer Price Index                             | MIG   | Municipal Infrastructure Grant                |
| CRRF   | Capital Replacement Reserve Fund                 | MPRA  | Municipal Properties Rates Act                |
| DBSA   | Development Bank of South Africa                 | MSA   | Municipal Systems Act                         |
| DoRA   | Division of Revenue Act                          | MTEF  | Medium-term Expenditure Framework             |
| DWA    | Department of Water Affairs                      | MTREF | Medium-term Revenue and Expenditure Framework |
| EE     | Employment Equity                                | NERSA | National Electricity Regulator South Africa   |
| EEDSM  | Energy Efficiency Demand Side Management         | NGO   | Non-Governmental Organisations                |
| FBS    | Free basic services                              | NKPIs | National Key Performance Indicators           |
| GAMAP  | Generally Accepted Municipal Accounting Practice | OHS   | Occupational Health and Safety                |
| GDP    | Gross Domestic Product                           | OP    | Operational Plan                              |
| GDS    | Gauteng Growth and Development Strategy          | PBO   | Public Benefit Organisations                  |
| GFS    | Government Financial Statistics                  | PHC   | Provincial Health Care                        |
| GRAP   | General Recognised Accounting Practice           | PMS   | Performance Management System                 |
| HR     | Human Resources                                  | PPE   | Property Plant and Equipment                  |
| HSRC   | Human Science Research Council                   | PPP   | Public Private Partnership                    |
| IDP    | Integrated Development Plan                      | PTIS  | Public Transport Infrastructure System        |
| IT     | Information Technology                           | RG    | Restructuring Grant                           |
| kℓ     | kilolitre  | RSC   | Regional Services Council                     |
| km     | kilometre  | SALGA | South African Local Government Association    |
| KPA    | Key Performance Area                             | SAPS  | South African Police Service                  |
| KPI    | Key Performance Indicator                        | SDBIP | Service Delivery Budget Implementation Plan   |
| kWh    | kilowatt hour                                    | SMME  | Small Micro and Medium Enterprises            |
| ℓ      | litre  |       |   |
| LED    | Local Economic Development                       |       |   |

## Part 1 – Annual Budget

### 1.1 Mayor's Report

#### SPEECH BY THE MAYOR OF MKHAMBATHINI MUNICIPALITY

CLLR T.E MAPHUMALO PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF  
THE TABLING OF THE 2015/2016, 2016/2017, 2017/2018 DRAFT BUDGET IN THE COUNCIL  
CHAMBERS, CAMPERDOWN,  
ON TUESDAY 31 MARCH 2015

Speaker,  
Executive Committee Members,  
Councillors,  
Acting Municipal Manager,  
Managers,  
Chief Financial Officer,  
Staff,  
Members of the media if any are present and Public,  
Ladies and Gentlemen.

It is a great honour to present to you the multi-year budget for MKHAMBATHINI Municipality in respect of the 2015/16, 2016/17 and 2017/18 financial years.

Speaker and members of Council, this multi-year budget is tabled in terms of the Municipal Finance Management Act (MFMA), No 56 of 2003 and in terms of the Municipal Budget & Reporting Regulations. The MFMA requires that the budget be tabled ninety (90) days before the start of the financial year and we are fully complying with this requirement. It is the intention to have this budget finally approved on 29 May 2015 which will be in compliance of the requirements of the MFMA.

Inflation is forecast to remain within the target range of 5.8 to 5.3 percent, edging towards the upper end of the range in 2018 as the economy strengthens. This was taken into account when the budget was compiled.

Cognisance should be taken that the SALGA Salary Wage Collective Agreement has come to an end and National Treasury has advised to make provision for an increase of 4.4% for the 2015/2016 financial year, however we have provide for 5.8% to factor in any further changes that may arise, the final budget will be adjusted to reflect the correct increases.

Speaker, Council's Plan (IDP) to inform the 2015/16 financial year's budget was also tabled to Council today. I am pleased to announce that this draft budget is aligned to the draft revised IDP. Due to the current financial situation of MKHAMBATHINI Municipality we can only fund capital projects through the Municipal Infrastructure Grant which amounts to R16.8 million.

### **Governance**

The Internal Audit Activity stills operate as an outsourced Internal Audit Services which has been running for almost 2 years this is an indication of a commitment in promoting good governance. Internal Audit Activity has formed a working relationship with the Provincial Internal Audit Unit and National Treasury Risk and Internal Audit Support Unit for skills and resources sharing and to strengthen the Internal Audit Activities operations. A risk based audit plan has been developed and systems of internal control were tested to effectively monitor the vulnerability of operations within the municipality.

MKHAMBATHINI Municipality Youth Advisory Centre is still standing and continues to service the youth who are seeking advice on careers, receiving vouchers for small businesses, life skills, and basic computer skills. Speaker, we pride ourselves in services offered by the Youth Advisory Centre include, and includes accomplishment such as.

### **Health**

We recently hosted an HIV/AIDS awareness campaign, held on 02 December 2014, in conjunction with Kwa - ZuluNatal Provincial Treasury to create awareness of the HIV/AIDS epidemic.

### **Housing**

Speaker, we have 7 housing projects within the MKHAMBATHINI Municipality. To date, 2168 low income houses have been constructed. These include areas such as Mbambangalo, Maqongqo, Kwa Njobokazi and Kwa Mahleka. Furthermore, there are projects that are in the planning and packaging stage, which include Stockdale, Poortjie and Ward 7 Rural Housing

### **Crime**

Speaker, crime affects everyone, and our area within MKHAMBATHINI Municipality is also affected by various crimes. These include general theft, especially copper wire, in

the farming areas – which consequently affects various essential services. Residential burglary has slightly decreased and stabilised.

The Cluster Crime Combating Forum – it consists of police stations within the MKHAMBATHINI jurisdiction – primarily monitors, implements strategies in combating crimes within this jurisdiction.

## **RATES & PROPERTY**

- The new general valuation roll came into effect on 1 July 2014. A Supplementary valuation roll has been received and is going to be advertised for comment in April 2015 for comment before being implemented. The Rates Policy has been amended to make provision for the changes in the amendments to the Property rates act and regulations.
- There will be rates exemption up to R300 000 of the valuation for residential properties in 2015/16 as granted in the previous years.

I must mention Speaker, that after this meeting, the municipality will have public participation process to showcase the IDP and Budget and to share with our people different views on what I am about to table to this Council.

## **Back to basics**

Speaker and fellow Councillors, we all aware of the concept of Back to basics and the importance of implementing a back to basic plan. We are fortunate that through the COGTA assessment, Mkhambathini Municipality was found to be functional, but we must still make every effort to improve on upholding the 5 pillars of the Back to Basics concept and improve the lives of our citizens.

I THANK YOU

## **1.2 Council Resolutions**

On 31 March 2015 the Council of MKHAMBATHINI Municipality Local Municipality met in the Council Chambers of MKHAMBATHINI Municipality to consider the annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of MKHAMBATHINI Municipality for the financial year 2015/2016 and



indicative allocations for the two projected outer years 2016/2017 and 2017/2018, and the multi-year and single year capital appropriations are approved as set out in the following tables:

1.1 Budgeted Financial Performance (revenue & expenditure by standard classification)

1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)

1.3 Budgeted Financial Performance (revenue by source and expenditure by type)

1.4 Single year capital appropriations by municipal vote and standard classification and associated funding by source

2. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set out in the following tables

2.1 Budgeted Financial Position

2.2 Budgeted Cash Flows

2.3 Cash backed reserves and accumulated surplus reconciliation

2.4 Asset Management

2.5 Basic service delivery measurement

3. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended all other tariffs as set out in Other Supporting Documents be approved with effect from 1 July 2015.

4. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy as amended be approved

5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003 the various budget-related policies as amended be approved.

6. That in terms of section 14 of the Municipal Property Rates Act, 6 of 2004 the rate randage and conditions as set out in Other Supporting Documents be approved be approved with effect from 1 July 2015

7. That in terms of section 24(2)(c)(ii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework be approved

8. That the salaries, wages and allowances of all employees be increased in accordance with the multi-year SALGBC wage agreement with effect from 1 July 2015.

### 1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainable, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings were realized were on telephone and internet usage, printing, workshops, travel, accommodation, and catering.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by ratepayers.

National Treasury's MFMA Circulars No. 74 and 75 were used to guide the compilation of the 2015/16 MTREF.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and limited cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – allocations had to be reduced to grant funded projects and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2015/16 MTREF process; and

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2015/16 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CP.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2015/16 MTREF**

| Description                       | Adjusted Budget<br>2014-2015 | Budget<br>2015-2016 | Budget<br>2016-2017 | Budget<br>2017-2018 |
|-----------------------------------|------------------------------|---------------------|---------------------|---------------------|
| Total Operating Revenue           | 68 177 173                   | 84 696 353          | 86 099 754          | 84 898 039          |
| Total Operating Expenditure       | 65 153 200                   | 83 626 733          | 85 718 417          | 84 445 962          |
| Surplus /( Deficit ) for the year |                              | 1 069 620           | 381 337             | 452 077             |
| Total Capital Expenditure         | 18 061 000                   | 19 301 000          | 18 962 000          | 19 729 000          |

Total operating revenue has increased by 24 per cent or R16.519 million for the 2015/16 financial year when compared to the 2014/15 Adjustments Budget. For the two outer years, operational revenue will increase by R 1.403 million and decrease by R 1.201, equating to a total revenue growth of R16.7 million over the MTREF when compared to the 2014/15 financial year.

Total operating expenditure for the 2015/16 financial year has been appropriated at R83.627 million and translates into a budgeted deficit of R1.070 million. When compared to the 2014/15 Adjustments Budget, operational expenditure has increased by 28 per cent in the 2015/16 budget and increased by 2 and decreased by 1 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years is R 381 337thousand and R 452 077thousand respectively. These surpluses are arrived at after taking in account cash items in and funding of capital projects from own funding.

The capital budget of R million for 2015/16 is 7 per cent more when compared to the 2014/15 Adjustment Budget. The increase is due to various projects being funded from own funding after taking into account affordability constraints in the light of current economic circumstances. Only capital projects funded through the Municipal Infrastructure Grant is included in the 2015/16 capital budget and a portion of essential expenditure. The capital programme decreases to R18.9 million in the 2016/17 financial year and then increases to R19.7 million in 2017/18.

## 1.4 Operating Revenue Framework

For MKHAMBATHINI Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges over the next two financial years.
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and

- Tariff policies of the Municipality.

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)

| RENZEO Inkhabatshini - Table A1 Budgeted Financial Performance (Revenue and Expenditure) |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand   | 1   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Revenue By Source</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 2   | 4 881           | 6 722           | 6 522           | 16 406               | 10 807          | 10 807             | 10 807            | 11 454  | 12 141                 | 12 870                 |
| Property rates - penalties & collection charges  |     |                 |                 |                 | 11                   | -               | -                  |                   |   |                        |                        |
| Service charges - electricity revenue  | 2   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - water revenue  | 2   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - sanitation revenue   | 2   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - refuse revenue   | 2   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - other  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Rental of facilities and equipment   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Interest earned - external investments   |     | 400             | 730             | 786             | 832                  | 832             | 832                | 832               | 800   | 800                    | 800                    |
| Interest earned - outstanding debtors  |     | 354             | 350             | 148             | 157                  | 1 200           | 1 200              | 1 200             | 1 272   | 1 348                  | 1 429                  |
| Dividends received   |     |                 |                 |                 |                      | -               | -                  | -                 |   |                        |                        |
| Fines  |     | 66              | 34              | 84              | 90                   | 90              | 90                 | 90                | 41  | 44                     | 46                     |
| Licences and permits   |     | 2 581           | 3 183           | 3 207           | 3 311                | 4 260           | 4 260              | 4 260             | 4 873   | 5 166                  | 5 476                  |
| Agency services  |     |                 |                 |                 |                      | -               | -                  | -                 |   |                        |                        |
| Transfers recognised - operational   |     | 33 024          | 34 659          | 36 776          | 48 971               | 50 742          | 50 742             | 50 742            | 65 873  | 66 195                 | 63 847                 |
| Other revenue  | 2   | 291             | 371             | 319             | 219                  | 245             | 245                | 245               | 384   | 406                    | 430                    |
| Gains on disposal of PPE   |     | 5               | -               | -               | 20                   | -               | -                  |                   |   |                        |                        |
| Total Revenue (excluding capital transfers and contributions)                            |     | 41 601          | 46 049          | 47 843          | 70 018               | 68 177          | 68 177             | 68 177            | 84 697  | 86 100                 | 84 898                 |

**Table 2 Summary of revenue classified by main revenue source**

**Table 3 Percentage growth in revenue by main revenue source**

| Description<br>R thousand  | 2015/16 Medium Term Revenue & Expenditure Framework |                     |              |                        |             |                        |
|--|---|---------------------|--------------|------------------------|-------------|------------------------|
|  | Adjusted Budget                                     | Budget Year 2015/16 | % increase   | Budget Year +1 2016/17 | % increase  | Budget Year +2 2017/18 |
| <b>Revenue By Source</b>   |   |                     |              |                        |             |                        |
| Property rates   | 10 807  | 11 454              | 6            | 12 141                 | 6           | 12 870                 |
| Interest earned - external investments                               | 832   | 800                 | 0            | 800                    | 0           | 800                    |
| Interest earned - outstanding debtors                                | 1 200   | 1 272               | 6            | 1 348                  | 6           | 1 429                  |
| Fines  | 90  | 41                  | -54          | 44                     | 5           | 46                     |
| Licences and permits   | 4 260   | 4 873               | 14           | 5 166                  | 6           | 5 476                  |
| Transfers recognised - operational                                   | 50 742  | 65 873              | 30           | 66 195                 | 0.5         | 63 847                 |
| Other revenue  | 245   | 384                 | 57           | 406                    | 5.73        | 430                    |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>68 177</b>                                       | <b>84 697</b>       | <b>24.23</b> | <b>86 100</b>          | <b>1.66</b> | <b>84 898</b>          |

Revenue generated from rates forms a minor part of income generated by the Municipality. The majority of Municipal revenue come from equitable share. Operating Grants & Subsidies are also a source.

**Table 4 Operating Transfers and Grant Receipts**

| Description<br>R thousand                     | Ref  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>RECEIPTS:</b>                              | 1, 2 |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Operating Transfers and Grants</b>         |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| National Government:                          |      | 33 156          | 37 480          | 36 123          | 48 290               | 50 062          | 50 062             | 65 129  | 65 451                 | 63 103                 |
| Local Government Equitable Share              |      | 23 866          | 28 180          | 32 583          | 39 424               | 39 424          | 39 424             | 51 341  | 52 669                 | 52 170                 |
| Finance Management                            |      | 1 500           | 1 500           | 1 650           | 1 800                | 1 815           | 1 815              | 1 800   | 1 825                  | 1 900                  |
| Municipal Systems Improvement                 |      | 790             | 800             | 890             | 934                  | 943             | 943                | 930   | 957                    | 1 033                  |
| Integrated National Electrification Programme |      | 7 000           | 7 000           | -               | 5 000                | 6 748           | 6 748              | 10 000  | 10 000                 | 8 000                  |
| EPWP Incentive                                |      |                 |                 | 1 000           | 1 132                | 1 132           | 1 132              | 1 058   | -                      | -                      |
| Other transfers/grants [insert description]   |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Provincial Government:                        |      | 399             | 451             | 653             | 681                  | 681             | 681                | 744   | 744                    | 744                    |
| Sport and Recreation                          |      | 150             | 150             |                 |                      |                 |                    |   |                        |                        |
| Library Grants                                |      | 249             | 301             | 653             | 681                  | 681             | 681                | 744   | 744                    | 744                    |
| District Municipality:                        |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                          |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other grant providers:                        |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| [insert description]                          |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Operating Transfers and Grants</b>   | 5    | <b>33 555</b>   | <b>37 931</b>   | <b>36 776</b>   | <b>48 971</b>        | <b>50 743</b>   | <b>50 743</b>      | <b>65 873</b>                                       | <b>66 195</b>          | <b>63 847</b>          |

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### **1.4.1 Property Rates**

Property rates cover the cost of the provision of general services and repairs and maintenance. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circulars No.58 and 59 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

**Table 5 MBRR Table SA14 – Household bills**

KZN226 Mkhambathini - Supporting Table SA14 Household bills

| Description  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                     |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|---------------------|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16 % incr.                         | Budget Year 2015/16 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| Rand/cent  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| <u>Monthly Account for Household - 'Middle Income Range'</u> | 1   |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Rates and services charges:                                  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Property rates   |     | 383             | 407             | 431             | 622                  | 560             | 560                | 6   | 593                 | 629                    | 666                    |
| Electricity: Basic levy                                      |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Electricity: Consumption                                     |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Basic levy  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Consumption   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Sanitation   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Refuse removal   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Other  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| sub-total  |     | 383             | 407             | 431             | 622                  | 560             | 560                | 0   | 593                 | 629                    | 666                    |
| VAT on Services  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Total large household bill:                                  |     | 383             | 407             | 431             | 622                  | 560             | 560                | 0   | 593                 | 629                    | 666                    |
| % increase/-decrease   |     |                 | 0               | 0               | 0                    | 0               | 0                  |   | 0                   | 0                      | 0                      |
| <u>Monthly Account for Household - 'Affordable Range'</u>    | 2   |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Rates and services charges:                                  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Property rates   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Electricity: Basic levy                                      |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Electricity: Consumption                                     |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Basic levy  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Consumption   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Sanitation   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Refuse removal   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Other  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| sub-total  |     | 0               | 0               | 0               | 0                    | 0               | 0                  | 0   | 0                   | 0                      | 0                      |
| VAT on Services  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Total small household bill:                                  |     | 0               | 0               | 0               | 0                    | 0               | 0                  | 0   | 0                   | 0                      | 0                      |
| % increase/-decrease   |     |                 | 0               | 0               | 0                    | 0               | 0                  |   | 0                   | 0                      | 0                      |
| <u>Monthly Account for Household - 'Indigent'</u>            | 3   |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| <u>Household receiving free basic services</u>               |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Rates and services charges:                                  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Property rates   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Electricity: Basic levy                                      |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Electricity: Consumption                                     |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Basic levy  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Water: Consumption   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Sanitation   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Refuse removal   |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Other  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| sub-total  |     | 0               | 0               | 0               | 0                    | 0               | 0                  | 0   | 0                   | 0                      | 0                      |
| VAT on Services  |     |                 |                 |                 |                      |                 |                    |   |                     |                        |                        |
| Total small household bill:                                  |     | 0               | 0               | 0               | 0                    | 0               | 0                  | 0   | 0                   | 0                      | 0                      |
| % increase/-decrease   |     |                 | 0               | 0               | 0                    | 0               | 0                  |   | 0                   | 0                      | 0                      |

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

| Expenditure By Type  |      |               |               |               |               |               |               |               |               |               |               |
|--|------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Employee related costs   | 2    | 15 270        | 17 524        | 17 039        | 21 969        | 21 969        | 19 092        | 19 092        | 25 752        | 27 296        | 28 934        |
| Remuneration of councillors  |      | 3 643         | 3 869         | 4 101         | 4 752         | 4 752         | 4 752         | 4 752         | 5 200         | 5 800         | 6 100         |
| Debt impairment  | 3    | 836           | 602           | 1 000         | -             | 800           | 800           | 800           | 800           | 800           | 800           |
| Depreciation & asset impairment                                      | 2    | 4 792         | 3 116         | 2 237         | 2 542         | 4 542         | 4 542         | 4 542         | 4 700         | 4 850         | 5 000         |
| Finance charges  |      | 149           | 107           | 120           | 127           | 127           | 127           | 127           | 200           | 212           | 225           |
| Bulk purchases   | 2    | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Other materials  | 8    |               |               |               |               |               |               |               |               |               |               |
| Contracted services  |      | 42            | 286           | 70            | 300           | 300           | 300           | 300           | -             | -             | -             |
| Transfers and grants   |      | 8 386         | 6 196         | -             | 4 738         | -             | -             | -             | -             | -             | -             |
| Other expenditure  | 4, 5 | 6 746         | 10 513        | 19 669        | 16 517        | 32 663        | 28 175        | 28 175        | 46 975        | 46 760        | 43 387        |
| Loss on disposal of PPE  |      |               |               |               |               |               |               |               |               |               |               |
| <b>Total Expenditure</b>   |      | <b>39 864</b> | <b>42 212</b> | <b>44 235</b> | <b>50 944</b> | <b>65 153</b> | <b>57 787</b> | <b>57 787</b> | <b>83 627</b> | <b>85 718</b> | <b>84 446</b> |
| <b>Surplus/(Deficit)</b>   |      | <b>1 737</b>  | <b>3 836</b>  | <b>3 607</b>  | <b>19 073</b> | <b>3 024</b>  | <b>10 390</b> | <b>10 390</b> | <b>1 070</b>  | <b>382</b>    | <b>452</b>    |
| Transfers recognised - capital                                       |      | 8 618         | 11 792        | 14 427        | 16 251        | 16 251        | 16 251        | 16 251        | 16 851        | 17 362        | 18 129        |
| Contributions recognised - capital                                   | 6    | -             | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Contributed assets   |      |               |               |               |               |               |               |               |               |               |               |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |      | <b>10 356</b> | <b>15 629</b> | <b>18 034</b> | <b>35 324</b> | <b>19 275</b> | <b>26 641</b> | <b>26 641</b> | <b>17 921</b> | <b>17 744</b> | <b>18 581</b> |
| Taxation   |      |               |               |               |               |               |               |               |               |               |               |
| <b>Surplus/(Deficit) after taxation</b>                              |      | <b>10 356</b> | <b>15 629</b> | <b>18 034</b> | <b>35 324</b> | <b>19 275</b> | <b>26 641</b> | <b>26 641</b> | <b>17 921</b> | <b>17 744</b> | <b>18 581</b> |
| Attributable to minorities   |      |               |               |               |               |               |               |               |               |               |               |
| <b>Surplus/(Deficit) attributable to municipality</b>                |      | <b>10 356</b> | <b>15 629</b> | <b>18 034</b> | <b>35 324</b> | <b>19 275</b> | <b>26 641</b> | <b>26 641</b> | <b>17 921</b> | <b>17 744</b> | <b>18 581</b> |
| Share of surplus/ (deficit) of associate                             | 7    |               |               |               |               |               |               |               |               |               |               |
| <b>Surplus/(Deficit) for the year</b>                                |      | <b>10 356</b> | <b>15 629</b> | <b>18 034</b> | <b>35 324</b> | <b>19 275</b> | <b>26 641</b> | <b>26 641</b> | <b>17 921</b> | <b>17 744</b> | <b>18 581</b> |

**Table 6 Summary of operating expenditure by standard classification item**

The budgeted allocation for employee related costs for the 2015/16 financial year totals R25.752 million, which equals 30.79 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 5.8 per cent for the 2015/16 financial year. An annual increase of 5 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 60 per cent and the Debt Write-off Policy of the Municipality. For the 2015/16 financial year this amount equates to R800 000. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate



asset consumption. Budget appropriations in this regard total R5 million for the 2015/16 financial and equates to 5.98 per cent of the total operating expenditure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 6 per cent for 2015/16 and curbed at 6 per cent for the two outer years, indicating that significant cost savings have been already realised.

### **1.5.1 Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 7 Operational repairs and maintenance**



MKHAMBATHINI Municipality 2015/16 Annual Budget and MTREF

| Description   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Repairs and maintenance expenditure by Asset Class/Sub-class</b> |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Infrastructure</b>   |     | 300             | 480             | 1 060           | 150                  | 150             | 150                | 2 800   | 2 800                  | 1 600                  |
| Infrastructure - Road transport                                     |     | 300             | 480             | 1 060           | 150                  | 150             | 150                | 2 800   | 2 800                  | 1 600                  |
| Roads, Pavements & Bridges  |     | 300             | 480             | 1 060           | 150                  | 150             | 150                | 2 800   | 2 800                  | 1 600                  |
| Storm water   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Electricity  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Generation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transmission & Reticulation   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Street Lighting   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Water  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Dams & Reservoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Water purification  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Reticulation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Sanitation   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Reticulation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sewerage purification   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Other  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Management  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transportation  | 2   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Gas   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Community</b>  |     | -               | -               | 1 060           | 1 500                | 1 500           | 1 500              | 1 500   | 1 200                  | 800                    |
| Parks & gardens   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sportsfields & stadia   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Swimming pools  |     |                 |                 |                 | 1 500                | 1 500           | 1 500              | 1 500   | 1 200                  | 800                    |
| Community halls   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Libraries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Recreational facilities   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Fire, safety & emergency  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Security and policing   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Buses   | 7   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Clinics   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Museums & Art Galleries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cemeteries  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Social rental housing   | 8   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 | 1 060           |                      |                 |                    |   |                        |                        |
| <b>Heritage assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Buildings   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   | 9   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Investment properties</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing development   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other assets</b>   |     | 320             | 85              | 339             | 570                  | 570             | 570                | 3 450   | 3 450                  | 4 000                  |
| General vehicles  |     |                 |                 |                 | 150                  | 150             | 150                | 600   | 600                    | 700                    |
| Specialised vehicles  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Plant & equipment   |     | 20              | 20              | 21              | 100                  | 100             | 100                | 500   | 500                    | 700                    |
| Computers - hardware/equipment                                      |     |                 |                 |                 |                      |                 |                    | 250   | 250                    | 500                    |
| Furniture and other office equipment                                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Abattoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Markets   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Civic Land and Buildings  |     |                 |                 |                 |                      |                 |                    | 800   | 800                    | 800                    |
| Other Buildings   |     | 300             | 65              | 318             |                      |                 |                    |   |                        |                        |
| Other Land  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Surplus Assets - (Investment or Inventory)                          |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 | 320                  | 320             | 320                | 1 300   | 1 300                  | 1 300                  |
| <b>Agricultural assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Biological assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Intangibles</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Computers - software & programming                                  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other (list sub-class)  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Repairs and Maintenance Expenditure</b>                    | 1   | 620             | 565             | 2 459           | 2 220                | 2 220           | 2 220              | 7 750   | 7 450                  | 6 400                  |

## 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. And takes the form of social relief for the family of deceased persons who are destitute without income.

## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 8 2015/16 Medium-term capital budget per vote**

| Vote Description                            | Ref      | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                           | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Capital Expenditure - Standard</b>       |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <i>Governance and administration</i>        |          | 9 525           | 584             | 1 500           | 500                  | 90              | 90                 | 35                | 2 450   | 1 600                  | 1 600                  |
| Executive and council                       |          |                 |                 |                 | 370                  | 90              | 90                 | 35                | 1 200   | 1 200                  | 1 200                  |
| Budget and treasury office                  |          | 8 081           | 584             | 1 500           | 100                  |                 |                    |                   |   |                        |                        |
| Corporate services                          |          | 1 444           |                 |                 | 30                   |                 |                    |                   | 1 250   | 400                    | 400                    |
| <i>Community and public safety</i>          |          | 2 295           | 6 928           | -               | 480                  | 630             | 630                | 630               | -   | -                      | -                      |
| Community and social services               |          | 2 295           | 6 928           |                 | 480                  | 630             | 630                | 630               |   |                        |                        |
| Sport and recreation                        |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Public safety                               |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Housing                                     |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Health                                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <i>Economic and environmental services</i>  |          | -               | 4 423           | 16 427          | 19 140               | 17 341          | 17 341             | 12 139            | 16 851  | 17 362                 | 18 129                 |
| Planning and development                    |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Road transport                              |          |                 | 4 423           | 16 427          | 19 140               | 17 341          | 17 341             | 12 139            | 16 851  | 17 362                 | 18 129                 |
| Environmental protection                    |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <i>Trading services</i>                     |          | -               | -               | -               | 600                  | -               | -                  | -                 | -   | -                      | -                      |
| Electricity                                 |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Water                                       |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Waste water management                      |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Waste management                            |          |                 |                 |                 | 600                  |                 |                    |                   |   |                        |                        |
| <i>Other</i>                                |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Capital Expenditure - Standard</b> | <b>3</b> | <b>11 820</b>   | <b>11 934</b>   | <b>17 927</b>   | <b>20 720</b>        | <b>18 061</b>   | <b>18 061</b>      | <b>12 804</b>     | <b>19 301</b>                                       | <b>18 962</b>          | <b>19 729</b>          |
| <b>Funded by:</b>                           |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| National Government                         |          | 11 820          | 11 934          | 14 427          | 16 251               | 17 341          | 17 341             | 12 139            | 16 851  | 17 362                 | 18 129                 |
| Provincial Government                       |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| District Municipality                       |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other transfers and grants                  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Transfers recognised - capital              | <b>4</b> | <b>11 820</b>   | <b>11 934</b>   | <b>14 427</b>   | <b>16 251</b>        | <b>17 341</b>   | <b>17 341</b>      | <b>12 139</b>     | <b>16 851</b>                                       | <b>17 362</b>          | <b>18 129</b>          |
| Public contributions & donations            | <b>5</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Borrowing                                   | <b>6</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Internally generated funds                  |          |                 |                 |                 | 4 469                | 720             | 720                | 665               | 2 450   | 1 600                  | 1 600                  |
| <b>Total Capital Funding</b>                | <b>7</b> | <b>11 820</b>   | <b>11 934</b>   | <b>14 427</b>   | <b>20 720</b>        | <b>18 061</b>   | <b>18 061</b>      | <b>12 804</b>     | <b>19 301</b>                                       | <b>18 962</b>          | <b>19 729</b>          |

For 2015/16 an amount of R16.8 million has been appropriated for the development of infrastructure. In the outer years this amount totals R17.3 million, and R18.2 million, respectively for each of the financial years.

#### Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 9 MBRR Table A1 - Budget Summary**

KZN226 Mkhambathini - Table A1 Budget Summary

| Description  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousands</b>   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Financial Performance</b>   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 4 881           | 6 722           | 6 522           | 16 417               | 10 807          | 10 807             | 10 807            | 11 454  | 12 141                 | 12 870                 |
| Service charges  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Investment revenue   | 400             | 730             | 786             | 832                  | 832             | 832                | 832               | 800   | 800                    | 800                    |
| Transfers recognised - operational                                   | 33 024          | 34 659          | 36 776          | 48 971               | 50 742          | 50 742             | 50 742            | 65 873  | 66 195                 | 63 847                 |
| Other own revenue  | 3 297           | 3 937           | 3 758           | 3 797                | 5 795           | 5 795              | 5 795             | 6 570   | 6 964                  | 7 381                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>41 601</b>   | <b>46 049</b>   | <b>47 843</b>   | <b>70 018</b>        | <b>68 177</b>   | <b>68 177</b>      | <b>68 177</b>     | <b>84 697</b>                                       | <b>86 100</b>          | <b>84 898</b>          |
| Employee costs   | 15 270          | 17 524          | 17 039          | 21 969               | 21 969          | 19 092             | 19 092            | 25 752  | 27 296                 | 28 934                 |
| Remuneration of councillors  | 3 643           | 3 869           | 4 101           | 4 752                | 4 752           | 4 752              | 4 752             | 5 200   | 5 800                  | 6 100                  |
| Depreciation & asset impairment                                      | 4 792           | 3 116           | 2 237           | 2 542                | 4 542           | 4 542              | 4 542             | 4 700   | 4 850                  | 5 000                  |
| Finance charges  | 149             | 107             | 120             | 127                  | 127             | 127                | 127               | 200   | 212                    | 225                    |
| Materials and bulk purchases   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Transfers and grants   | 8 386           | 6 196           | -               | 4 738                | -               | -                  | -                 | -   | -                      | -                      |
| Other expenditure  | 7 624           | 11 400          | 20 739          | 16 817               | 33 763          | 29 275             | 29 275            | 47 775  | 47 560                 | 44 187                 |
| <b>Total Expenditure</b>   | <b>39 864</b>   | <b>42 212</b>   | <b>44 235</b>   | <b>50 944</b>        | <b>65 153</b>   | <b>57 787</b>      | <b>57 787</b>     | <b>83 627</b>                                       | <b>85 718</b>          | <b>84 446</b>          |
| <b>Surplus/(Deficit)</b>   | <b>1 737</b>    | <b>3 836</b>    | <b>3 607</b>    | <b>19 073</b>        | <b>3 024</b>    | <b>10 390</b>      | <b>10 390</b>     | <b>1 070</b>  | <b>382</b>             | <b>452</b>             |
| Transfers recognised - capital                                       | 8 618           | 11 792          | 14 427          | 16 251               | 16 251          | 16 251             | 16 251            | 16 851  | 17 362                 | 18 129                 |
| Contributions recognised - capital & contributed                     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>10 356</b>   | <b>15 629</b>   | <b>18 034</b>   | <b>35 324</b>        | <b>19 275</b>   | <b>26 641</b>      | <b>26 641</b>     | <b>17 921</b>                                       | <b>17 744</b>          | <b>18 581</b>          |
| Share of surplus/ (deficit) of associate                             | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Surplus/(Deficit) for the year</b>                                | <b>10 356</b>   | <b>15 629</b>   | <b>18 034</b>   | <b>35 324</b>        | <b>19 275</b>   | <b>26 641</b>      | <b>26 641</b>     | <b>17 921</b>                                       | <b>17 744</b>          | <b>18 581</b>          |
| <b>Capital expenditure &amp; funds sources</b>                       |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital expenditure  | 11 820          | 11 934          | 17 927          | 20 720               | 18 061          | 18 061             | 12 804            | 19 301  | 18 962                 | 19 729                 |
| Transfers recognised - capital                                       | 11 820          | 11 934          | 14 427          | 16 251               | 17 341          | 17 341             | 12 139            | 16 851  | 17 362                 | 18 129                 |
| Public contributions & donations                                     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Borrowing  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Internally generated funds   | -               | -               | -               | 4 469                | 720             | 720                | 665               | 2 450   | 1 600                  | 1 600                  |
| <b>Total sources of capital funds</b>                                | <b>11 820</b>   | <b>11 934</b>   | <b>14 427</b>   | <b>20 720</b>        | <b>18 061</b>   | <b>18 061</b>      | <b>12 804</b>     | <b>19 301</b>                                       | <b>18 962</b>          | <b>19 729</b>          |
| <b>Financial position</b>  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total current assets   | 13 736          | 23 762          | 9 059           | 17 100               | 17 100          | 17 100             | 17 100            | 20 500  | 24 500                 | 29 500                 |
| Total non current assets   | 58 086          | 66 906          | 85 521          | 93 055               | 93 055          | 93 055             | 93 055            | 109 106   | 123 956                | 138 158                |
| Total current liabilities  | 8 893           | 14 032          | 427             | 4 706                | 4 706           | 4 706              | 4 706             | 4 791   | 4 881                  | 4 975                  |
| Total non current liabilities  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Community wealth/Equity  | 62 929          | 76 635          | 94 153          | 105 449              | 105 449         | 105 449            | 105 449           | 124 815   | 143 575                | 162 683                |
| <b>Cash flows</b>  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net cash from (used) operating                                       | 18 398          | 19 355          | 17 018          | 47 757               | (19 824)        | 29 147             | 29 147            | 25 934  | 23 026                 | 24 225                 |
| Net cash from (used) investing                                       | (11 621)        | (11 925)        | (5 923)         | (20 700)             | (18 160)        | (18 160)           | (18 160)          | (13 511)  | (13 273)               | (13 810)               |
| Net cash from (used) financing                                       | (88)            | 1               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Cash/cash equivalents at the year end</b>                         | <b>10 832</b>   | <b>18 264</b>   | <b>29 358</b>   | <b>56 415</b>        | <b>18 431</b>   | <b>78 389</b>      | <b>78 389</b>     | <b>17 423</b>                                       | <b>27 176</b>          | <b>37 590</b>          |
| <b>Cash backing/surplus reconciliation</b>                           |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash and investments available                                       | 10 832          | 18 263          | 7 121           | 13 000               | 13 000          | 13 000             | 13 000            | 17 000  | 21 000                 | 26 000                 |
| Application of cash and investments                                  | (2 488)         | 4 346           | (469)           | (13 781)             | 880             | 880                | 880               | (10)  | (82)                   | (142)                  |
| <b>Balance - surplus (shortfall)</b>                                 | <b>13 320</b>   | <b>13 917</b>   | <b>7 590</b>    | <b>26 781</b>        | <b>12 120</b>   | <b>12 120</b>      | <b>12 120</b>     | <b>17 010</b>                                       | <b>21 082</b>          | <b>26 142</b>          |
| <b>Asset management</b>  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Asset register summary (WDV)   | 58 086          | 64 917          | -               | 32 531               | 32 531          | 32 531             | 17 959            | 17 959  | 17 620                 | 18 387                 |
| Depreciation & asset impairment                                      | 4 792           | 3 116           | 2 237           | 2 542                | 4 542           | 4 542              | 4 700             | 4 700   | 4 850                  | 5 000                  |
| Renewal of Existing Assets   | -               | 1 478           | 1 741           | 7 560                | 18 061          | 18 061             | 18 061            | -   | -                      | -                      |
| Repairs and Maintenance  | 620             | 565             | 2 459           | 2 220                | 2 220           | 2 220              | 7 750             | 7 750   | 7 450                  | 6 400                  |
| <b>Free services</b>   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cost of Free Basic Services provided                                 | 180             | 422             | 424             | 1 160                | -               | -                  | -                 | -   | -                      | -                      |
| Revenue cost of free services provided                               | 1 012           | 1 132           | 1 137           | 1 205                | 1 205           | 1 205              | -                 | -   | -                      | -                      |
| <b>Households below minimum service level</b>                        |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Water:   | 2               | 1               | 1               | 1                    | 1               | 1                  | 1                 | 1   | 1                      | 1                      |
| Sanitation/sew erage:  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Energy:  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Refuse:  | 0               | 0               | 0               | 0                    | 0               | 0                  | 0                 | 0   | 0                      | 0                      |

## **Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2014/15, when a small surplus is reflected.

**Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

KZN226 Mkhambathini - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

| Standard Classification Description        | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand                                 | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Revenue - Standard</b>                  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Governance and administration</i>       |     | 32 396          | 38 092          | 43 431          | 49 547               | 47 706          | 47 706             | 78 774  | 79 867                 | 78 336                 |
| Executive and council                      |     | -               | -               | -               | 1 132                | 1 132           | 1 132              | 1 058   | -                      | -                      |
| Budget and treasury office                 |     | 31 606          | 37 543          | 42 481          | 47 481               | 45 640          | 45 640             | 76 786  | 78 834                 | 77 278                 |
| Corporate services                         |     | 790             | 549             | 950             | 934                  | 934             | 934                | 930   | 1 033                  | 1 058                  |
| <i>Community and public safety</i>         |     | 104             | 312             | 505             | 684                  | 684             | 684                | 818   | 823                    | 827                    |
| Community and social services              |     | 104             | 312             | 505             | 684                  | 684             | 684                | 818   | 823                    | 827                    |
| Sport and recreation                       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Public safety                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing                                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Health                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Economic and environmental services</i> |     | 2 723           | 5 314           | 3 338           | 19 786               | 19 786          | 19 786             | 5 104   | 5 410                  | 5 735                  |
| Planning and development                   |     | 223             | 2 376           | 211             | 223                  | 223             | 223                | 231   | 245                    | 260                    |
| Road transport                             |     | 2 500           | 2 938           | 3 127           | 19 562               | 19 562          | 19 562             | 4 873   | 5 166                  | 5 476                  |
| Environmental protection                   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Trading services</i>                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Electricity                                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Water                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste water management                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste management                           |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Other</i>                               | 4   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Revenue - Standard</b>            | 2   | 35 223          | 43 718          | 47 274          | 70 018               | 68 177          | 68 177             | 84 697  | 86 100                 | 84 898                 |
| <b>Expenditure - Standard</b>              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <i>Governance and administration</i>       |     | 11 824          | 12 118          | 13 127          | 39 698               | 53 907          | 53 907             | 41 811  | 44 049                 | 44 659                 |
| Executive and council                      |     | 5 809           | 5 608           | 6 069           | 10 700               | 10 700          | 10 700             | 8 894   | 9 680                  | 10 177                 |
| Budget and treasury office                 |     | -               | -               | -               | 14 502               | 14 502          | 14 502             | 18 323  | 19 201                 | 19 191                 |
| Corporate services                         |     | 6 015           | 6 510           | 7 058           | 14 496               | 28 705          | 28 705             | 14 594  | 15 168                 | 15 292                 |
| <i>Community and public safety</i>         |     | 5 806           | 5 680           | 5 766           | 5 865                | 5 865           | 5 865              | 17 242  | 16 894                 | 17 079                 |
| Community and social services              |     | 5 806           | 5 680           | 5 766           | 5 865                | 5 865           | 5 865              | 17 242  | 16 894                 | 17 079                 |
| Sport and recreation                       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Public safety                              |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing                                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Health                                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Economic and environmental services</i> |     | 23 690          | 8 492           | 8 631           | 5 381                | 5 381           | 5 381              | 24 573  | 24 776                 | 22 708                 |
| Planning and development                   |     | 22 189          | 6 926           | 6 961           | 98                   | 98              | 98                 | -   | -                      | -                      |
| Road transport                             |     | 1 501           | 1 566           | 1 670           | 5 283                | 5 283           | 5 283              | 24 573  | 24 776                 | 22 708                 |
| Environmental protection                   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <i>Trading services</i>                    |     | 648             | 1 933           | 2 119           | -                    | -               | -                  | -   | -                      | -                      |
| Electricity                                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Water                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste water management                     |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste management                           |     | 648             | 1 933           | 2 119           | -                    | -               | -                  | -   | -                      | -                      |
| <i>Other</i>                               | 4   | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Expenditure - Standard</b>        | 3   | 41 968          | 28 223          | 29 643          | 50 944               | 65 153          | 65 153             | 83 626  | 85 719                 | 84 446                 |
| <b>Surplus/(Deficit) for the year</b>      |     | (6 745)         | 15 495          | 17 631          | 19 073               | 3 023           | 3 023              | 1 070   | 381                    | 452                    |



**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 9 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for the Electricity function, but not the Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

**Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

| Vote Description<br>R thousand                | Ref      | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue by Vote</b>                        | <b>1</b> |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Vote 1 - Executive and Council                |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 2 - Municipal Manager                    |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 3 - Budget and Treasury Office           |          | 31 606          | 37 543          | 42 481          | 49 459               | 46 996          | 46 996             | 78 075  | 79 079                 | 77 537                 |
| Vote 4 - Corporate Services                   |          | 790             | 790             | 950             | 934                  | 934             | 934                | 930   | 1 033                  | 1 058                  |
| Vote 5 - Community Services                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 6 - Library                              |          | 104             | 312             | 505             | 684                  | 684             | 684                | 818   | 823                    | 827                    |
| Vote 7 - Vehicle Registration and Testing     |          | 2 500           | 2 938           | 3 127           | 3 311                | 3 311           | 3 311              | 4 873   | 5 166                  | 5 476                  |
| Vote 8 - Solid Waste                          |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 9 - Technical Services                   |          | 17 514          | 2 376           | 211             | 16 251               | 16 251          | 16 251             | -   | -                      | -                      |
| Vote 10 - Technical Services                  |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 11 - [NAME OF VOTE 11]                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 12 - [NAME OF VOTE 12]                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 13 - [NAME OF VOTE 13]                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 14 - [NAME OF VOTE 14]                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Revenue by Vote</b>                  | <b>2</b> | <b>52 514</b>   | <b>43 958</b>   | <b>47 275</b>   | <b>70 640</b>        | <b>68 177</b>   | <b>68 177</b>      | <b>84 697</b>                                       | <b>86 100</b>          | <b>84 898</b>          |
| <b>Expenditure by Vote to be appropriated</b> | <b>1</b> |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Vote 1 - Executive and Council                |          | 4 562           | 4 468           | 4 919           | 5 930                | 5 930           | 5 930              | 7 279   | 7 980                  | 8 387                  |
| Vote 2 - Municipal Manager                    |          | 1 247           | 1 140           | 1 150           | 4 770                | 4 770           | 4 770              | 1 615   | 1 700                  | 1 790                  |
| Vote 3 - Budget and Treasury Office           |          | 7 174           | 6 984           | 13 809          | 14 282               | 14 282          | 14 282             | 18 323  | 19 201                 | 19 191                 |
| Vote 4 - Corporate Services                   |          | 6 015           | 6 510           | 7 058           | 8 314                | 29 023          | 29 023             | 14 594  | 15 168                 | 15 292                 |
| Vote 5 - Community Services                   |          | 5 274           | 5 199           | 5 182           | 4 897                | 4 897           | 4 897              | 15 212  | 14 802                 | 14 671                 |
| Vote 6 - Library                              |          | 532             | 481             | 584             | 968                  | 968             | 968                | 2 030   | 2 092                  | 2 408                  |
| Vote 7 - Vehicle Registration and Testing     |          | 1 501           | 1 566           | 1 670           | 17                   | 17              | 17                 | 3 428   | 3 586                  | 3 753                  |
| Vote 8 - Solid Waste                          |          | 648             | 1 933           | 2 119           | -                    | -               | -                  | -   | -                      | -                      |
| Vote 9 - Technical Services                   |          | 22 189          | 6 926           | 6 961           | 5 266                | 5 266           | 5 266              | 21 145  | 21 190                 | 18 955                 |
| Vote 10 - Technical Services                  |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 11 - [NAME OF VOTE 11]                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 12 - [NAME OF VOTE 12]                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 13 - [NAME OF VOTE 13]                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 14 - [NAME OF VOTE 14]                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Expenditure by Vote</b>              | <b>2</b> | <b>49 142</b>   | <b>35 206</b>   | <b>43 452</b>   | <b>44 445</b>        | <b>65 154</b>   | <b>65 154</b>      | <b>83 626</b>                                       | <b>85 719</b>          | <b>84 446</b>          |
| <b>Surplus/(Deficit) for the year</b>         | <b>2</b> | <b>3 372</b>    | <b>8 752</b>    | <b>3 823</b>    | <b>26 196</b>        | <b>3 023</b>    | <b>3 023</b>       | <b>1 070</b>  | <b>382</b>             | <b>451</b>             |

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

**Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

KZN226 Mkhambathini - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description  | Ref      | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>  | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Revenue By Source</b>   |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 2        | 4 881           | 6 722           | 6 522           | 16 406               | 10 807          | 10 807             | 10 807            | 11 454  | 12 141                 | 12 870                 |
| Property rates - penalties & collection charges                      |          |                 |                 |                 | 11                   | -               | -                  | -                 |   |                        |                        |
| Service charges - electricity revenue                                | 2        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - water revenue                                      | 2        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - sanitation revenue                                 | 2        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - refuse revenue                                     | 2        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Service charges - other  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Rental of facilities and equipment                                   |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Interest earned - external investments                               |          | 400             | 730             | 786             | 832                  | 832             | 832                | 832               | 800   | 800                    | 800                    |
| Interest earned - outstanding debtors                                |          | 354             | 350             | 148             | 157                  | 1 200           | 1 200              | 1 200             | 1 272   | 1 348                  | 1 429                  |
| Dividends received   |          |                 |                 |                 |                      | -               | -                  | -                 |   |                        |                        |
| Fines  |          | 66              | 34              | 84              | 90                   | 90              | 90                 | 90                | 41  | 44                     | 46                     |
| Licences and permits   |          | 2 581           | 3 183           | 3 207           | 3 311                | 4 260           | 4 260              | 4 260             | 4 873   | 5 166                  | 5 476                  |
| Agency services  |          |                 |                 |                 |                      | -               | -                  | -                 |   |                        |                        |
| Transfers recognised - operational                                   |          | 33 024          | 34 659          | 36 776          | 48 971               | 50 742          | 50 742             | 50 742            | 65 873  | 66 195                 | 63 847                 |
| Other revenue  | 2        | 291             | 371             | 319             | 219                  | 245             | 245                | 245               | 384   | 406                    | 430                    |
| Gains on disposal of PPE   |          | 5               | -               | -               | 20                   | -               | -                  | -                 |   |                        |                        |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |          | <b>41 601</b>   | <b>46 049</b>   | <b>47 843</b>   | <b>70 018</b>        | <b>68 177</b>   | <b>68 177</b>      | <b>68 177</b>     | <b>84 697</b>                                       | <b>86 100</b>          | <b>84 898</b>          |
| <b>Expenditure By Type</b>   |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Employee related costs   | 2        | 15 270          | 17 524          | 17 039          | 21 969               | 21 969          | 19 092             | 19 092            | 25 752  | 27 296                 | 28 934                 |
| Remuneration of councillors  |          | 3 643           | 3 869           | 4 101           | 4 752                | 4 752           | 4 752              | 4 752             | 5 200   | 5 800                  | 6 100                  |
| Debt impairment  | 3        | 836             | 602             | 1 000           | -                    | 800             | 800                | 800               | 800   | 800                    | 800                    |
| Depreciation & asset impairment                                      | 2        | 4 792           | 3 116           | 2 237           | 2 542                | 4 542           | 4 542              | 4 542             | 4 700   | 4 850                  | 5 000                  |
| Finance charges  |          | 149             | 107             | 120             | 127                  | 127             | 127                | 127               | 200   | 212                    | 225                    |
| Bulk purchases   | 2        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other materials  | 8        |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Contracted services  |          | 42              | 286             | 70              | 300                  | 300             | 300                | 300               | -   | -                      | -                      |
| Transfers and grants   |          | 8 386           | 6 196           | -               | 4 738                | -               | -                  | -                 | -   | -                      | -                      |
| Other expenditure  | 4, 5     | 6 746           | 10 513          | 19 669          | 16 517               | 32 663          | 28 175             | 28 175            | 46 975  | 46 760                 | 43 387                 |
| Loss on disposal of PPE  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Expenditure</b>   |          | <b>39 864</b>   | <b>42 212</b>   | <b>44 235</b>   | <b>50 944</b>        | <b>65 153</b>   | <b>57 787</b>      | <b>57 787</b>     | <b>83 627</b>                                       | <b>85 718</b>          | <b>84 446</b>          |
| <b>Surplus/(Deficit)</b>   |          | <b>1 737</b>    | <b>3 836</b>    | <b>3 607</b>    | <b>19 073</b>        | <b>3 024</b>    | <b>10 390</b>      | <b>10 390</b>     | <b>1 070</b>  | <b>382</b>             | <b>452</b>             |
| Transfers recognised - capital                                       |          | 8 618           | 11 792          | 14 427          | 16 251               | 16 251          | 16 251             | 16 251            | 16 851  | 17 362                 | 18 129                 |
| Contributions recognised - capital                                   | 6        | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Contributed assets   |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |          | <b>10 356</b>   | <b>15 629</b>   | <b>18 034</b>   | <b>35 324</b>        | <b>19 275</b>   | <b>26 641</b>      | <b>26 641</b>     | <b>17 921</b>                                       | <b>17 744</b>          | <b>18 581</b>          |
| Taxation   |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) after taxation</b>                              |          | <b>10 356</b>   | <b>15 629</b>   | <b>18 034</b>   | <b>35 324</b>        | <b>19 275</b>   | <b>26 641</b>      | <b>26 641</b>     | <b>17 921</b>                                       | <b>17 744</b>          | <b>18 581</b>          |
| Attributable to minorities   |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) attributable to municipality</b>                |          | <b>10 356</b>   | <b>15 629</b>   | <b>18 034</b>   | <b>35 324</b>        | <b>19 275</b>   | <b>26 641</b>      | <b>26 641</b>     | <b>17 921</b>                                       | <b>17 744</b>          | <b>18 581</b>          |
| Share of surplus/ (deficit) of associate                             | 7        |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Surplus/(Deficit) for the year</b>                                |          | <b>10 356</b>   | <b>15 629</b>   | <b>18 034</b>   | <b>35 324</b>        | <b>19 275</b>   | <b>26 641</b>      | <b>26 641</b>     | <b>17 921</b>                                       | <b>17 744</b>          | <b>18 581</b>          |

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R84.6 million in 2015/16 and escalates to R86.1 million by 2017/18.
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
3. Employee related costs is the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage increases in future years.

**Table 127 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

KZN226 Mkhambathini - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

| Vote Description                                   | Ref      | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                  | <b>1</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Capital expenditure - Vote</b>                  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Multi-year expenditure, to be appropriated</b>  | <b>2</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - Executive and Council                     |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 2 - Municipal Manager                         |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 3 - Budget and Treasury Office                |          | -               | -               | 1 328           | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 4 - Corporate Services                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 5 - Community Services                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 6 - Library                                   |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 7 - Vehicle Registration and Testing          |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 8 - Solid Waste                               |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 9 - Technical Services                        |          | -               | -               | 2 172           | 19 140               | -               | -                  | -                 | -   | -                      | -                      |
| Vote 10 - Technical Services                       |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 11 - [NAME OF VOTE 11]                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 12 - [NAME OF VOTE 12]                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 13 - [NAME OF VOTE 13]                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 14 - [NAME OF VOTE 14]                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Capital multi-year expenditure sub-total</b>    | <b>7</b> | -               | -               | 3 500           | 19 140               | -               | -                  | -                 | -   | -                      | -                      |
| <b>Single-year expenditure, to be appropriated</b> | <b>2</b> |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - Executive and Council                     |          | -               | -               | -               | 370                  | 90              | 90                 | 60                | -   | -                      | -                      |
| Vote 2 - Municipal Manager                         |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 3 - Budget and Treasury Office                |          | 8 081           | 584             | -               | 100                  | -               | -                  | -                 | -   | -                      | -                      |
| Vote 4 - Corporate Services                        |          | 1 444           | -               | -               | 30                   | -               | -                  | -                 | -   | -                      | -                      |
| Vote 5 - Community Services                        |          | 2 295           | 6 928           | -               | 1 080                | 750             | 750                | 600               | -   | -                      | -                      |
| Vote 6 - Library                                   |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 7 - Vehicle Registration and Testing          |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 8 - Solid Waste                               |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 9 - Technical Services                        |          | -               | 4 423           | 14 427          | 19 140               | 17 221          | 17 221             | 12 055            | -   | -                      | -                      |
| Vote 10 - Technical Services                       |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 11 - [NAME OF VOTE 11]                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 12 - [NAME OF VOTE 12]                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 13 - [NAME OF VOTE 13]                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 14 - [NAME OF VOTE 14]                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]                        |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Capital single-year expenditure sub-total</b>   |          | 11 820          | 11 934          | 14 427          | 20 720               | 18 061          | 18 061             | 12 715            | -   | -                      | -                      |
| <b>Total Capital Expenditure - Vote</b>            |          | 11 820          | 11 934          | 17 927          | 39 860               | 18 061          | 18 061             | 12 715            | -   | -                      | -                      |
| <b>Capital Expenditure - Standard</b>              |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Governance and administration</b>               |          | 9 525           | 584             | 1 500           | 500                  | 90              | 90                 | 35                | 2 450   | 1 600                  | 1 600                  |
| Executive and council                              |          | -               | -               | -               | 370                  | 90              | 90                 | 35                | 1 200   | 1 200                  | 1 200                  |
| Budget and treasury office                         |          | 8 081           | 584             | 1 500           | 100                  | -               | -                  | -                 | -   | -                      | -                      |
| Corporate services                                 |          | 1 444           | -               | -               | 30                   | -               | -                  | -                 | 1 250   | 400                    | 400                    |
| <b>Community and public safety</b>                 |          | 2 295           | 6 928           | -               | 480                  | 630             | 630                | 630               | -   | -                      | -                      |
| Community and social services                      |          | 2 295           | 6 928           | -               | 480                  | 630             | 630                | 630               | -   | -                      | -                      |
| Sport and recreation                               |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Public safety                                      |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Housing  |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Health   |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Economic and environmental services</b>         |          | -               | 4 423           | 16 427          | 19 140               | 17 341          | 17 341             | 12 139            | 16 851  | 17 362                 | 18 129                 |
| Planning and development                           |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Road transport                                     |          | -               | 4 423           | 16 427          | 19 140               | 17 341          | 17 341             | 12 139            | 16 851  | 17 362                 | 18 129                 |
| Environmental protection                           |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Trading services</b>                            |          | -               | -               | -               | 600                  | -               | -                  | -                 | -   | -                      | -                      |
| Electricity  |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Water  |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Waste water management                             |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Waste management                                   |          | -               | -               | -               | 600                  | -               | -                  | -                 | -   | -                      | -                      |
| <b>Other</b>                                       |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Capital Expenditure - Standard</b>        | <b>3</b> | 11 820          | 11 934          | 17 927          | 20 720               | 18 061          | 18 061             | 12 804            | 19 301  | 18 962                 | 19 729                 |
| <b>Funded by:</b>                                  |          |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| National Government                                |          | 11 820          | 11 934          | 14 427          | 16 251               | 17 341          | 17 341             | 12 139            | 16 851  | 17 362                 | 18 129                 |
| Provincial Government                              |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| District Municipality                              |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other transfers and grants                         |          | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Transfers recognised - capital</b>              | <b>4</b> | 11 820          | 11 934          | 14 427          | 16 251               | 17 341          | 17 341             | 12 139            | 16 851  | 17 362                 | 18 129                 |
| <b>Public contributions &amp; donations</b>        | <b>5</b> | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Borrowing</b>                                   | <b>6</b> | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Internally generated funds</b>                  |          | -               | -               | -               | 4 469                | 720             | 720                | 665               | 2 450   | 1 600                  | 1 600                  |
| <b>Total Capital Funding</b>                       | <b>7</b> | 11 820          | 11 934          | 14 427          | 20 720               | 18 061          | 18 061             | 12 804            | 19 301  | 18 962                 | 19 729                 |

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

**Table 138 MBRR Table A6 - Budgeted Financial Position**

KZN226 Mkhambathini - Table A6 Budgeted Financial Position

KZ1220 Wikinabatiini - Table A6 Budgeted Financial Position

| Description                              | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand                               |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| ASSETS                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current assets                           |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash                                     |     | 286             | 518             |                 | 5 000                | 5 000           | 5 000              | 5 000             | 7 000   | 9 000                  | 11 000                 |
| Call investment deposits                 | 1   | 10 546          | 17 745          | 7 121           | 8 000                | 8 000           | 8 000              | 8 000             | 10 000  | 12 000                 | 15 000                 |
| Consumer debtors                         | 1   | 1 713           | 2 895           | 1 938           | 4 100                | 4 100           | 4 100              | 4 100             | 3 500   | 3 500                  | 3 500                  |
| Other debtors                            |     | 1 191           | 2 603           |                 |                      |                 |                    |                   |   |                        |                        |
| Current portion of long-term receivables |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Inventory                                | 2   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total current assets                     |     | 13 736          | 23 762          | 9 059           | 17 100               | 17 100          | 17 100             | 17 100            | 20 500  | 24 500                 | 29 500                 |
| Non current assets                       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Long-term receivables                    |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Investments                              |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Investment property                      |     | 1 158           | 1 158           |                 | 1 158                | 1 158           | 1 158              | 1 158             | 1 158   | 1 158                  | 1 158                  |
| Investment in Associate                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property, plant and equipment            | 3   | 56 928          | 65 748          | 85 521          | 91 897               | 91 897          | 91 897             | 91 897            | 107 948   | 122 798                | 137 000                |
| Agricultural                             |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Biological                               |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Intangible                               |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other non-current assets                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total non current assets                 |     | 58 086          | 66 906          | 85 521          | 93 055               | 93 055          | 93 055             | 93 055            | 109 106   | 123 956                | 138 158                |
| TOTAL ASSETS                             |     | 71 822          | 90 668          | 94 580          | 110 155              | 110 155         | 110 155            | 110 155           | 129 606   | 148 456                | 167 658                |
| LIABILITIES                              |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current liabilities                      |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Bank overdraft                           | 1   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Borrowing                                | 4   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Consumer deposits                        |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Trade and other payables                 | 4   | 8 071           | 12 836          | 427             | 3 000                | 3 000           | 3 000              | 3 000             | 3 000   | 3 000                  | 3 000                  |
| Provisions                               |     | 822             | 1 196           |                 | 1 706                | 1 706           | 1 706              | 1 706             | 1 791   | 1 881                  | 1 975                  |
| Total current liabilities                |     | 8 893           | 14 032          | 427             | 4 706                | 4 706           | 4 706              | 4 706             | 4 791   | 4 881                  | 4 975                  |
| Non current liabilities                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Borrowing                                |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Provisions                               |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Total non current liabilities            |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| TOTAL LIABILITIES                        |     | 8 893           | 14 032          | 427             | 4 706                | 4 706           | 4 706              | 4 706             | 4 791   | 4 881                  | 4 975                  |
| NET ASSETS                               | 5   | 62 929          | 76 635          | 94 153          | 105 449              | 105 449         | 105 449            | 105 449           | 124 815   | 143 575                | 162 683                |
| COMMUNITY WEALTH/EQUITY                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Accumulated Surplus/(Deficit)            |     | 47 943          | 62 305          | 74 907          | 93 449               | 93 449          | 93 449             | 93 449            | 113 815   | 133 575                | 153 683                |
| Reserves                                 | 4   | 14 987          | 14 330          | 19 246          | 12 000               | 12 000          | 12 000             | 12 000            | 11 000  | 10 000                 | 9 000                  |
| Minorities' interests                    |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| TOTAL COMMUNITY WEALTH/EQUITY            | 5   | 62 929          | 76 635          | 94 153          | 105 449              | 105 449         | 105 449            | 105 449           | 124 815   | 143 575                | 162 683                |

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.



**Table 19 MBRR Table A7 - Budgeted Cash Flow Statement**

KZN226 Mkhambathini - Table A7 Budgeted Cash Flows

| Description                                       |  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| R thousand  |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| CASH FLOW FROM OPERATING ACTIVITIES               |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Receipts  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates, penalties & collection charges    |  |     | 32 647          | 18 625          | 7 752           | 20 214               | 10 874          | 10 874             | 10 874            | 7 445   | 8 499                  | 9 652                  |
| Service charges                                   |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Other revenue                                     |  |     |                 |                 |                 |                      |                 |                    |                   | 8 058   | 8 326                  | 8 525                  |
| Government - operating                            |  | 1   | 10 022          | 27 337          | 35 769          | 48 971               |                 | 48 971             | 48 971            | 65 873  | 66 195                 | 63 847                 |
| Government - capital                              |  | 1   | 10 258          | 12 442          | 14 427          | 16 251               | 16 251          | 16 251             | 16 251            | 16 851  | 17 362                 | 18 129                 |
| Interest  |  |     | 754             | 1 080           | 879             | 832                  | 832             | 832                | 832               | 1 627   | 1 744                  | 1 872                  |
| Dividends   |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Payments  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Suppliers and employees                           |  |     | (35 238)        | (40 022)        | (41 809)        | (43 122)             | (47 654)        | (47 654)           | (47 654)          | (59 189)  | (65 362)               | (65 899)               |
| Finance charges                                   |  |     | (45)            | (107)           | -               | (127)                | (127)           | (127)              | (127)             | (200)   | (212)                  | (225)                  |
| Transfers and Grants                              |  | 1   |                 |                 |                 | 4 738                | -               | -                  | -                 | (14 532)  | (13 526)               | (11 677)               |
| NET CASH FROM/(USED) OPERATING ACTIVITIES         |  |     | 18 398          | 19 355          | 17 018          | 47 757               | (19 824)        | 29 147             | 29 147            | 25 934  | 23 026                 | 24 225                 |
| CASH FLOWS FROM INVESTING ACTIVITIES              |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Receipts  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Proceeds on disposal of PPE                       |  |     | 199             |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (Increase) in non-current debtors        |  |     |                 | 9               | 8 504           | 20                   |                 |                    |                   | -   | -                      | -                      |
| Decrease (Increase) other non-current receivables |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Decrease (Increase) in non-current investments    |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Payments  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital assets                                    |  |     | (11 820)        | (11 934)        | (14 427)        | (20 720)             | (18 160)        | (18 160)           | (18 160)          | (13 511)  | (13 273)               | (13 810)               |
| NET CASH FROM/(USED) INVESTING ACTIVITIES         |  |     | (11 621)        | (11 925)        | (5 923)         | (20 700)             | (18 160)        | (18 160)           | (18 160)          | (13 511)  | (13 273)               | (13 810)               |
| CASH FLOWS FROM FINANCING ACTIVITIES              |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Receipts  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans                                  |  |     | (88)            | 1               |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Borrowing long term/refinancing                   |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Increase (decrease) in consumer deposits          |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| Payments  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Repayment of borrowing                            |  |     |                 |                 |                 |                      |                 |                    |                   | -   | -                      | -                      |
| NET CASH FROM/(USED) FINANCING ACTIVITIES         |  |     | (88)            | 1               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| NET INCREASE/ (DECREASE) IN CASH HELD             |  |     | 6 689           | 7 432           | 11 095          | 27 057               | (37 984)        | 10 987             | 10 987            | 12 423  | 9 753                  | 10 415                 |
| Cash/cash equivalents at the year begin:          |  | 2   | 4 143           | 10 832          | 18 264          | 29 358               | 56 415          | 67 402             | 67 402            | 5 000   | 17 423                 | 27 176                 |
| Cash/cash equivalents at the year end:            |  | 2   | 10 832          | 18 264          | 29 358          | 56 415               | 18 431          | 78 389             | 78 389            | 17 423  | 27 176                 | 37 590                 |

**Table 20 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

KZN226 Mkhambathini - Table A8 Cash backed reserves/accumulated surplus reconciliation

| KZN226 Mkhambathini - Table A6 Cash backed reserves/accumulated surplus reconciliation |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Cash and investments available</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cash/cash equivalents at the year end  | 1   | 10 832          | 18 264          | 29 358          | 56 415               | 18 431          | 78 389             | 78 389            | 17 423  | 27 176                 | 37 590                 |
| Other current investments > 90 days  |     | 0               | (0)             | (22 237)        | (43 415)             | (5 431)         | (65 389)           | (65 389)          | (423)   | (6 176)                | (11 590)               |
| Non current assets - Investments   | 1   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Cash and investments available:</b>   |     | <b>10 832</b>   | <b>18 263</b>   | <b>7 121</b>    | <b>13 000</b>        | <b>13 000</b>   | <b>13 000</b>      | <b>13 000</b>     | <b>17 000</b>                                       | <b>21 000</b>          | <b>26 000</b>          |
| <b>Application of cash and investments</b>   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Unspent conditional transfers  |     | 5 946           | 9 947           | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Unspent borrowing  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Statutory requirements   | 2   | 363             | 250             | 239             | 239                  | 239             | 239                | 239               | -   | -                      | -                      |
| Other working capital requirements   | 3   | (9 474)         | (6 717)         | (1 034)         | (14 346)             | 315             | 315                | 315               | (10)  | (82)                   | (142)                  |
| Other provisions   |     | 677             | 866             | 326             | 326                  | 326             | 326                | 326               | -   | -                      | -                      |
| Long term investments committed  | 4   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Reserves to be backed by cash/investments  | 5   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Application of cash and investments:</b>                                      |     | <b>(2 488)</b>  | <b>4 346</b>    | <b>(469)</b>    | <b>(13 781)</b>      | <b>880</b>      | <b>880</b>         | <b>880</b>        | <b>(10)</b>   | <b>(82)</b>            | <b>(142)</b>           |
| <b>Surplus(shortfall)</b>  |     | <b>13 320</b>   | <b>13 917</b>   | <b>7 590</b>    | <b>26 781</b>        | <b>12 120</b>   | <b>12 120</b>      | <b>12 120</b>     | <b>17 010</b>                                       | <b>21 082</b>          | <b>26 142</b>          |

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.



**Table 141 MBRR Table A9 - Asset Management**

KZN226 Mkhambathini - Table A9 Asset Management

| KZN26 Mknambathini - Table A9 Asset Management |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
|--|------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
| Description                                    | Ref  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
| R thousand                                     |      | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| CAPITAL EXPENDITURE                            |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <u>Total New Assets</u>                        | 1    | 12 038          | 13 445          | 19 846          | 26 781               | 18 061          | 18 061             | 19 301  | 18 962                 | 19 729                 |
| Infrastructure - Road transport                |      | 1 000           | 5 266           | 6 201           | 5 000                | 5 000           | 5 000              | 14 351  | 14 862                 | 15 629                 |
| Infrastructure - Electricity                   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Water                         |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Sanitation                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Other                         |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure                                 |      | 1 000           | 5 266           | 6 201           | 5 000                | 5 000           | 5 000              | 14 351  | 14 862                 | 15 629                 |
| Community                                      |      | 10 908          | 6 098           | 9 925           | 11 251               | 11 251          | 11 251             | 2 500   | 2 500                  | 2 500                  |
| Heritage assets                                |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Investment properties                          |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other assets                                   | 6    | 130             | 2 080           | 3 720           | 10 530               | 1 810           | 1 810              | 2 450   | 1 600                  | 1 600                  |
| Agricultural Assets                            |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Biological assets                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Intangibles                                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <u>Total Renewal of Existing Assets</u>        | 2    | -               | 1 478           | 1 741           | 7 560                | 18 061          | 18 061             | -   | -                      | -                      |
| Infrastructure - Road transport                |      | -               | -               | -               | 5 750                | 16 251          | 16 251             | -   | -                      | -                      |
| Infrastructure - Electricity                   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Water                         |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Sanitation                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Other                         |      | -               | -               | -               | 1 810                | 1 810           | 1 810              | -   | -                      | -                      |
| Infrastructure                                 |      | -               | -               | -               | 7 560                | 18 061          | 18 061             | -   | -                      | -                      |
| Community                                      |      | -               | 1 478           | 1 741           | -                    | -               | -                  | -   | -                      | -                      |
| Heritage assets                                |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Investment properties                          |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other assets                                   | 6    | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Agricultural Assets                            |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Biological assets                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Intangibles                                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <u>Total Capital Expenditure</u>               | 4    | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Road transport                |      | 1 000           | 5 266           | 6 201           | 10 750               | 21 251          | 21 251             | 14 351  | 14 862                 | 15 629                 |
| Infrastructure - Electricity                   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Water                         |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Sanitation                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Other                         |      | -               | -               | -               | 1 810                | 1 810           | 1 810              | -   | -                      | -                      |
| Infrastructure                                 |      | 1 000           | 5 266           | 6 201           | 12 560               | 23 061          | 23 061             | 14 351  | 14 862                 | 15 629                 |
| Community                                      |      | 10 908          | 7 577           | 11 666          | 11 251               | 11 251          | 11 251             | 2 500   | 2 500                  | 2 500                  |
| Heritage assets                                |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Investment properties                          |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other assets                                   |      | 130             | 2 080           | 3 720           | 10 530               | 1 810           | 1 810              | 2 450   | 1 600                  | 1 600                  |
| Agricultural Assets                            |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Biological assets                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Intangibles                                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| TOTAL CAPITAL EXPENDITURE - Asset class        | 2    | 12 038          | 14 923          | 21 587          | 34 341               | 36 122          | 36 122             | 19 301  | 18 962                 | 19 729                 |
| ASSET REGISTER SUMMARY - PPE (WDV)             |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Road transport                | 5    | 24 831          | 26 806          | -               | 7 242                | 7 242           | 7 242              | 14 351  | 14 862                 | 15 629                 |
| Infrastructure - Electricity                   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Water                         |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Sanitation                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Other                         |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure                                 |      | 24 831          | 26 806          | -               | 7 242                | 7 242           | 7 242              | 14 351  | 14 862                 | 15 629                 |
| Community                                      |      | 22 011          | 24 201          | -               | 12 751               | 12 751          | 12 751             | 2 450   | 1 600                  | 1 600                  |
| Heritage assets                                |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Investment properties                          |      | 1 158           | 1 158           | -               | 1 158                | 1 158           | 1 158              | 1 158   | 1 158                  | 1 158                  |
| Other assets                                   |      | 10 086          | 12 752          | -               | 11 380               | 11 380          | 11 380             | -   | -                      | -                      |
| Agricultural Assets                            |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Biological assets                              |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Intangibles                                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV)       | 5    | 58 086          | 64 917          | -               | 32 531               | 32 531          | 32 531             | 17 959  | 17 620                 | 18 387                 |
| EXPENDITURE OTHER ITEMS                        |      |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <u>Depreciation &amp; asset impairment</u>     |      | 4 792           | 3 116           | 2 237           | 2 542                | 4 542           | 4 542              | 4 700   | 4 850                  | 5 000                  |
| <u>Repairs and Maintenance by Asset Class</u>  | 3    | 620             | 565             | 2 459           | 2 220                | 2 220           | 2 220              | 7 750   | 7 450                  | 6 400                  |
| Infrastructure - Road transport                |      | 300             | 480             | 1 060           | 150                  | 150             | 150                | 2 800   | 2 800                  | 1 600                  |
| Infrastructure - Electricity                   |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Water                         |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Sanitation                    |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure - Other                         |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Infrastructure                                 |      | 300             | 480             | 1 060           | 150                  | 150             | 150                | 2 800   | 2 800                  | 1 600                  |
| Community                                      |      | -               | -               | 1 060           | 1 500                | 1 500           | 1 500              | 1 500   | 1 200                  | 800                    |
| Heritage assets                                |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Investment properties                          |      | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Other assets                                   | 6, 7 | 320             | 85              | 339             | 570                  | 570             | 570                | 3 450   | 3 450                  | 4 000                  |
| TOTAL EXPENDITURE OTHER ITEMS                  |      | 5 412           | 3 681           | 4 696           | 4 762                | 6 762           | 6 762              | 12 450  | 12 300                 | 11 400                 |
| Renewal of Existing Assets as % of total capex |      | 0.0%            | 9.9%            | 8.1%            | 22.0%                | 50.0%           | 50.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| Renewal of Existing Assets as % of deprecn"    |      | 0.0%            | 47.5%           | 77.8%           | 297.5%               | 397.7%          | 397.7%             | 0.0%  | 0.0%                   | 0.0%                   |
| R&M as a % of PPE                              |      | 1.1%            | 0.9%            | 2.9%            | 2.4%                 | 2.4%            | 2.4%               | 7.2%  | 6.1%                   | 4.7%                   |
| Renewal and R&M as a % of PPE                  |      | 1.0%            | 3.0%            | 0.0%            | 30.0%                | 62.0%           | 62.0%              | 43.0%   | 42.0%                  | 35.0%                  |

### **Explanatory notes to Table A9 - Asset Management**

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

### **Table 23 MBRR Table A10 - Basic Service Delivery Measurement**

KZN226 Mkhambathini - Table A10 Basic service delivery measurement

| Description  | Ref | 2011/12 | 2012/13 | 2013/14 | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|---------|---------|---------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |     | Outcome | Outcome | Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Household service targets</b>   | 1   |         |         |         |                      |                 |                    |   |                        |                        |
| <b>Water:</b>  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Piped water inside dwelling  |     | 2 373   | 2 563   | 2 742   | 3 071                | 3 071           | 3 071              | 3 132.42  | 3 195                  | 3 258.97               |
| Piped water inside yard (but not in dwelling)                              |     | 7 740   | 8 359   | 8 944   | 9 838                | 9 838           | 9 838              | 10 035  | 10 235                 | 10 440                 |
| Using public tap (at least min.service level)                              | 2   | 1 274   | 1 376   | 1 472   | 1 576                | 1 576           | 1 576              | 1 608   | 1 640                  | 1 672                  |
| Other water supply (at least min.service level)                            | 4   |         |         |         |                      |                 |                    |   |                        |                        |
| Minimum Service Level and Above sub-total                                  |     | 11 387  | 12 298  | 13 158  | 14 485               | 14 485          | 14 485             | 14 775  | 15 070                 | 15 372                 |
| Using public tap (< min.service level)                                     | 3   | 634     | 505     | 340     | 204                  | 204             | 204                | 208.08  | 212                    | 216.49                 |
| Other water supply (< min.service level)                                   | 4   |         |         |         |                      |                 |                    |   |                        |                        |
| No water supply  |     | 1 512   | 605     | 544     | 299                  | 299             | 299                | 304.98  | 311                    | 317.30                 |
| Below Minimum Service Level sub-total                                      |     | 2 146   | 1 110   | 884     | 503                  | 503             | 503                | 513   | 523                    | 534                    |
| <b>Total number of households</b>  | 5   | 13 533  | 13 408  | 14 042  | 14 988               | 14 988          | 14 988             | 15 288  | 15 594                 | 15 905                 |
| <b>Sanitation/sewerage:</b>  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Flush toilet (connected to sewerage)                                       |     | 1 457   | 1 574   | 1 684   | 1 785                | 1 785           | 1 785              | 1 820.70  | 1 857                  | 1 894.26               |
| Flush toilet (with septic tank)  |     | 1 461   | 1 577   | 1 688   | 1 789                | 1 789           | 1 789              | 1 824.78  | 1 861                  | 1 898.50               |
| Chemical toilet  |     | 435     | 470     | 503     | 533                  | 533             | 533                | 543.66  | 555                    | 565.62                 |
| Pit toilet (ventilated)  |     | 7 042   | 7 606   | 8 138   | 8 627                | 8 627           | 8 627              | 8 799.54  | 8 976                  | 9 155.04               |
| Other toilet provisions (> min.service level)                              |     | 1 113   | 557     | 45      | -                    | -               | -                  |   |                        |                        |
| Minimum Service Level and Above sub-total                                  |     | 11 508  | 11 784  | 12 058  | 12 734               | 12 734          | 12 734             | 12 989  | 13 248                 | 13 513                 |
| Bucket toilet  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Other toilet provisions (< min.service level)                              |     |         |         |         |                      |                 |                    |   |                        |                        |
| No toilet provisions   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Below Minimum Service Level sub-total                                      |     | -       | -       | -       | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total number of households</b>  | 5   | 11 508  | 11 784  | 12 058  | 12 734               | 12 734          | 12 734             | 12 989  | 13 248                 | 13 513                 |
| <b>Energy:</b>   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Electricity (at least min.service level)                                   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Electricity - prepaid (min.service level)                                  |     | 752     | 794     |         |                      |                 |                    |   |                        |                        |
| Minimum Service Level and Above sub-total                                  |     | 752     | 794     | -       | -                    | -               | -                  | -   | -                      | -                      |
| Electricity (< min.service level)  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Electricity - prepaid (< min.service level)                                |     |         |         |         |                      |                 |                    |   |                        |                        |
| Other energy sources   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Below Minimum Service Level sub-total                                      |     | -       | -       | -       | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total number of households</b>  | 5   | 752     | 794     | -       | -                    | -               | -                  | -   | -                      | -                      |
| <b>Refuse:</b>   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Removed at least once a week   |     | 480     | 480     | 480     | 480                  | 480             | 480                | 480   | 550                    | 650                    |
| Minimum Service Level and Above sub-total                                  |     | 480     | 480     | 480     | 480                  | 480             | 480                | 480   | 550                    | 650                    |
| Removed less frequently than once a week                                   |     | 52      | 52      | 52      | 52                   | 52              | 52                 | 52  | 52                     | 52                     |
| Using communal refuse dump   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Using own refuse dump  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Other rubbish disposal   |     |         |         |         |                      |                 |                    |   |                        |                        |
| No rubbish disposal  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Below Minimum Service Level sub-total                                      |     | 52      | 52      | 52      | 52                   | 52              | 52                 | 52  | 52                     | 52                     |
| <b>Total number of households</b>  | 5   | 532     | 532     | 532     | 532                  | 532             | 532                | 532   | 602                    | 702                    |
| <b>Households receiving Free Basic Service</b>                             | 7   |         |         |         |                      |                 |                    |   |                        |                        |
| Water (6 kilolitres per household per month)                               |     |         |         |         |                      |                 |                    |   |                        |                        |
| Sanitation (free minimum level service)                                    |     |         |         |         |                      |                 |                    |   |                        |                        |
| Electricity/other energy (50kwh per household per month)                   |     |         |         |         | 424 000              | 424 000         | 424 000            | 177   | 177                    | 177                    |
| Refuse (removed at least once a week)                                      |     |         |         |         | 735 650              | 735 650         | 735 650            | -   | -                      | -                      |
| <b>Cost of Free Basic Services provided (R'000)</b>                        | 8   |         |         |         |                      |                 |                    |   |                        |                        |
| Water (6 kilolitres per household per month)                               |     |         |         |         |                      |                 |                    |   |                        |                        |
| Sanitation (free sanitation service)                                       |     |         |         |         |                      |                 |                    |   |                        |                        |
| Electricity/other energy (50kwh per household per month)                   |     | 180     | 422     | 424     | 424                  |                 |                    |   |                        |                        |
| Refuse (removed once a week)   |     |         |         |         | 736                  |                 |                    |   |                        |                        |
| <b>Total cost of FBS provided (minimum social package)</b>                 |     | 180     | 422     | 424     | 1 160                | -               | -                  | -   | -                      | -                      |
| <b>Highest level of free service provided</b>                              |     |         |         |         |                      |                 |                    |   |                        |                        |
| Property rates (R value threshold)   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Water (kilolitres per household per month)                                 |     |         |         |         |                      |                 |                    |   |                        |                        |
| Sanitation (kilolitres per household per month)                            |     |         |         |         |                      |                 |                    |   |                        |                        |
| Sanitation (Rand per household per month)                                  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Electricity (kwh per household per month)                                  |     |         |         |         |                      |                 |                    | 50  | 50                     | 50                     |
| Refuse (average litres per week)   |     |         |         |         |                      |                 |                    |   |                        |                        |
| <b>Revenue cost of free services provided (R'000)</b>                      | 9   |         |         |         |                      |                 |                    |   |                        |                        |
| Property rates (R15 000 threshold rebate)                                  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Property rates (other exemptions, reductions and rebates)                  |     | 1 012   | 1 132   | 1 137   | 1 205                | 1 205           | 1 205              | -   | -                      | -                      |
| Water  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Sanitation   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Electricity/other energy   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Refuse   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Municipal Housing - rental rebates   |     |         |         |         |                      |                 |                    |   |                        |                        |
| Housing - top structure subsidies  |     |         |         |         |                      |                 |                    |   |                        |                        |
| Other  |     |         |         |         |                      |                 |                    |   |                        |                        |
| <b>Total revenue cost of free services provided (total social package)</b> | 6   | 1 012   | 1 132   | 1 137   | 1 205                | 1 205           | 1 205              | -   | -                      | -                      |

**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act. Exco acts as the Budget Steering Committee.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule in August 2014. Key dates applicable to the process were noted and used in the compilation of the IDP and Budget process.

#### 2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;



- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2015/16 MTREF, based on the approved 2014/15 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2015/16 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/15 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 74 and 75 have been taken into consideration in the planning and prioritisation process.

### **2.1.4 Community Consultation**

The draft 2015/16 MTREF as tabled before Council on 31 March 2015 for community consultation was published on the municipality's website, and hard copies were made available at municipal offices, municipal notice boards and libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees will be utilised to facilitate the community consultation process starting in April 2015. The date of this meeting will be advertised in the local media. The following notice will be published in the local media:

## 2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;

- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 15 IDP Strategic Objectives**

| <b>2015/16 Financial Year</b>  | <b>2013/14 MTREF</b>   |
|--|--|
| 1. The provision of quality basic services and infrastructure  | 1. Provision of quality basic services and infrastructure  |
| 2. Acceleration of higher and shared economic growth and development   | 2. Economic growth and development that leads to sustainable job creation  |
| 3. Fighting of poverty, building clean, healthy, safe and sustainable communities  | 3.1 Fight poverty and build clean, healthy, safe and sustainable communities                                       |
|  | 3.2 Integrated Social Services for empowered and sustainable communities   |
| 4. Fostering participatory democracy and adherence to MKHAMBATHINI principles through a caring, accessible and accountable service | 4. Foster participatory democracy and MKHAMBATHINI principles through a caring, accessible and accountable service |
| 5. Good governance, Financial viability and institutional governance   | 5.1 Promote sound governance   |
|  | 5.2 Ensure financial sustainability  |
|  | 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives                              |

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
  - Provide electricity;
  - Provide waste removal;
  - Provide housing;
  - Provide roads and storm water;
  - Provide Municipality planning services; and

- Maintaining the infrastructure of the Municipality.
- 2. Economic growth and development that leads to sustainable job creation by:
  - Ensuring there is a clear structural plan for the Municipality;
  - Ensuring planning processes function in accordance with set timeframes;
  - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
  - Effective implementation of the Indigent Policy;
  - Working with the provincial department of health to provide primary health care services;
  - Extending waste removal services and ensuring effective Municipality cleansing;
  - Ensuring all waste water treatment works are operating optimally;
  - Working with strategic partners such as SAPS to address crime;
  - Ensuring safe working environments by effective enforcement of building and health regulations;
  - Promote viable, sustainable communities through proper zoning; and
  - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
  - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
- 4. Foster participatory democracy and MKHAMBATHINI principles through a caring, accessible and accountable service by:
  - Optimising effective community participation in the ward committee system; and
  - Implementing MKHAMBATHINI in the revenue management strategy.
- 5.1 Promote sound governance through:
  - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
  - Reviewing the use of contracted services
  - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
  - Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to

resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the 2015/16 revised IDP, including:

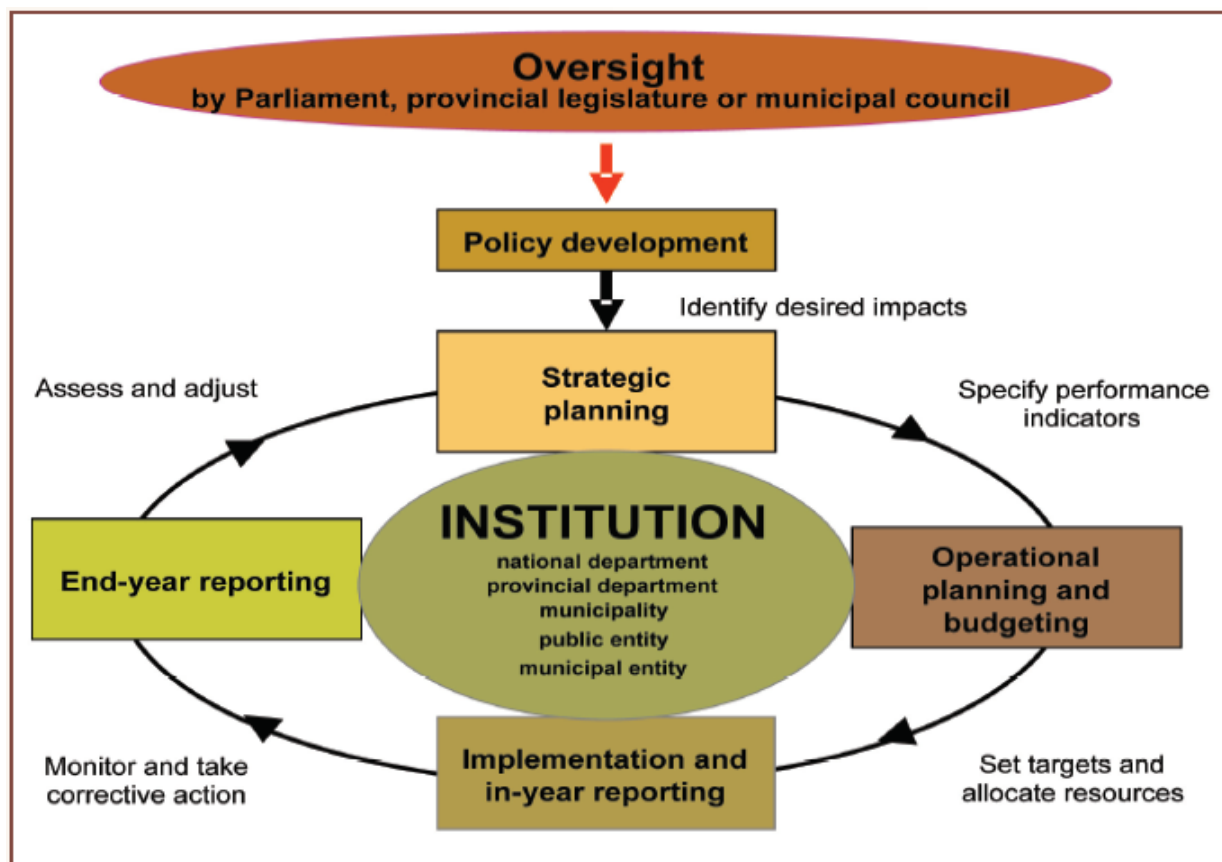
- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2015/16 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

## **2.3 Measurable performance objectives and indicators**

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

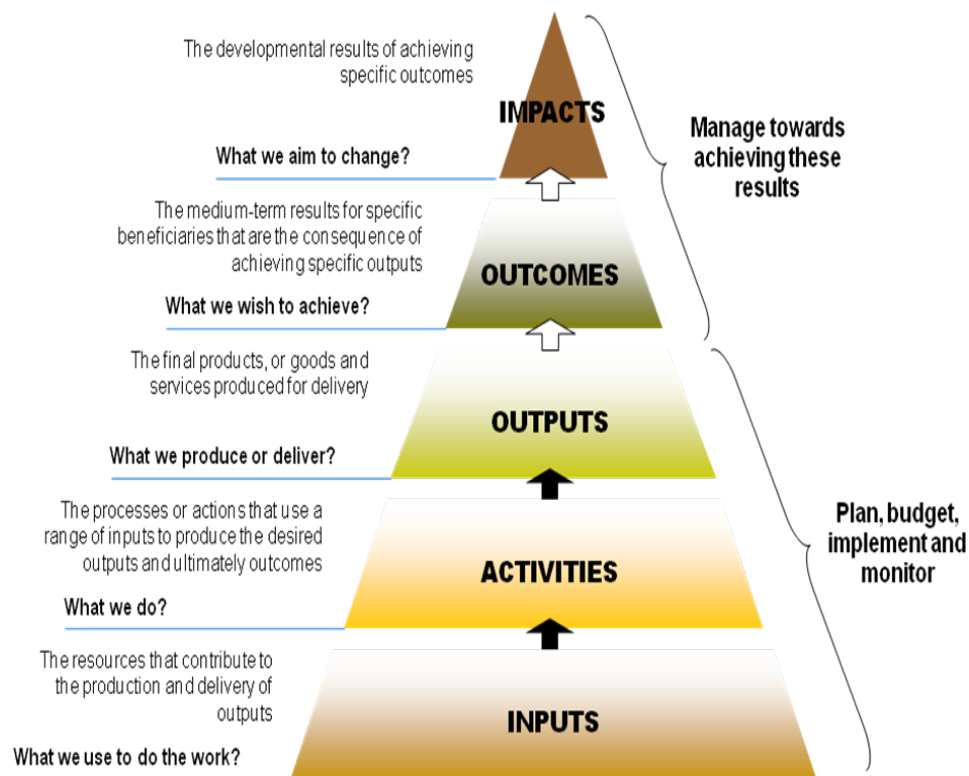


**Figure 1 Planning, budgeting and reporting cycle**

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:



**Figure 2 Definition of performance information concepts**

**Table 165 MBRR Table SA8 - Performance indicators and benchmarks**

KZN226 Mkhambathini - Supporting Table SA8 Performance indicators and benchmarks

| KZN2016/17 Annual Budget - Supporting Table 3: Performance Indicators and Benchmarks |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|--|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
| Description of financial indicator   | Basis of calculation  | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|  |   | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b><u>Borrowing Management</u></b>   |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Credit Rating  |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital Charges to Operating Expenditure   | Interest & Principal Paid /Operating Expenditure  | 0.4%            | 0.3%            | 0.3%            | 0.2%                 | 0.2%            | 0.2%               | 0.2%              | 0.2%  | 0.2%                   | 0.3%                   |
| Capital Charges to Own Revenue   | Finance charges & Repayment of borrowing /Own Revenue   | 1.7%            | 0.9%            | 1.1%            | 0.6%                 | 0.7%            | 0.7%               | 0.7%              | 1.1%  | 1.1%                   | 1.1%                   |
| Borrowed funding of 'own' capital expenditure  | Borrowing/Capital expenditure excl. transfers and grants and contributions                    | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| <b><u>Safety of Capital</u></b>  |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Gearing  | Long Term Borrowing/ Funds & Reserves   | 0.0%            | 0.0%            | 0.0%            | 0.0%                 | 0.0%            | 0.0%               | 0.0%              | 0.0%  | 0.0%                   | 0.0%                   |
| <b><u>Liquidity</u></b>  |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current Ratio  | Current assets/current liabilities  | 1.5             | 1.7             | 21.2            | 3.6                  | 3.6             | 3.6                | 3.6               | 4.3   | 5.0                    | 5.9                    |
| Current Ratio adjusted for aged debtors  | Current assets less debtors > 90 days/current liabilities                                     | 1.5             | 1.7             | 21.2            | 3.6                  | 3.6             | 3.6                | 3.6               | 4.3   | 5.0                    | 5.9                    |
| Liquidity Ratio  | Monetary Assets/Current Liabilities   | 1.2             | 1.3             | 16.7            | 2.8                  | 2.8             | 2.8                | 2.8               | 3.5   | 4.3                    | 5.2                    |
| <b><u>Revenue Management</u></b>   |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Annual Debtors Collection Rate (Payment Level %)                                     | Last 12 Mths Receipts/Last 12 Mths Billing  |                 | 668.9%          | 277.2%          | 249.2%               | 421.5%          | 100.6%             | 100.6%            | 100.6%  | 65.0%                  | 70.0%                  |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)       |   | 668.9%          | 277.1%          | 118.9%          | 421.4%               | 100.6%          | 100.6%             | 100.6%            | 65.0%   | 70.0%                  | 75.0%                  |
| Outstanding Debtors to Revenue   | Total Outstanding Debtors to Annual Revenue   | 7.0%            | 11.9%           | 4.1%            | 5.9%                 | 6.0%            | 6.0%               | 6.0%              | 4.1%  | 4.1%                   | 4.1%                   |
| Longstanding Debtors Recovered   | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old                                     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b><u>Creditors Management</u></b>   |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Creditors System Efficiency  | % of Creditors Paid Within Terms (within MFMA' s 65(e))                                       |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Creditors to Cash and Investments  |   | 19.6%           | 15.8%           | 1.5%            | 5.3%                 | 16.3%           | 3.8%               | 3.8%              | 17.2%   | 11.0%                  | 8.0%                   |
| <b><u>Other Indicators</u></b>   |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Electricity Distribution Losses (2)  | Total Volume Losses (kW)  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|  | Total Cost of Losses (Rand '000)  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|  | % Volume (units purchased and generated less units sold)/units purchased and generated        |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Water Distribution Losses (2)  | Total Volume Losses (kℓ)  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|  | Total Cost of Losses (Rand '000)  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
|  | % Volume (units purchased and generated less units sold)/units purchased and generated        |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Employee costs   | Employee costs/(Total Revenue - capital revenue)  | 36.7%           | 38.1%           | 35.6%           | 31.4%                | 32.2%           | 28.0%              | 28.0%             | 30.4%   | 31.7%                  | 34.1%                  |
| Remuneration   | Total remuneration/(Total Revenue - capital revenue)  | 45.8%           | 44.2%           | 52.5%           | 31.0%                | 31.8%           | 30.9%              |                   | 36.6%   | 37.8%                  | 40.3%                  |
| Repairs & Maintenance  | R&M/(Total Revenue excluding capital revenue)   | 1.5%            | 1.2%            | 5.1%            | 3.2%                 | 3.3%            | 3.3%               |                   | 9.2%  | 8.7%                   | 7.5%                   |
| Finance charges & Depreciation   | FC&D/(Total Revenue - capital revenue)  | 11.9%           | 7.0%            | 4.9%            | 3.8%                 | 6.8%            | 6.8%               | 6.8%              | 5.8%  | 5.9%                   | 6.2%                   |
| <b><u>IDP regulation financial viability indicators</u></b>                          |   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| i. Debt coverage   | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 7.9             | 13.0            | –               | 25.3                 | 25.3            | 25.3               | 10.7              | 10.8  | 10.6                   | 11.2                   |
| ii. O/S Service Debtors to Revenue   | Total outstanding service debtors/annual revenue received for services                        | 59.5%           | 81.8%           | 29.7%           | 25.0%                | 37.9%           | 37.9%              | 37.9%             | 30.6%   | 28.8%                  | 27.2%                  |
| iii. Cost coverage   | (Available cash + Investments)/monthly fixed operational expenditure                          | 4.2             | 6.7             | 11.7            | 17.6                 | 5.4             | 25.9               | 25.9              | 4.1   | 6.2                    | 8.4                    |

## 2.3.1 Performance indicators and benchmarks

### 2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely



dependent on its creditworthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF:

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is nil per cent.

#### 2.3.1.2 Safety of Capital

##### 2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 MTREF the current ratio is 4.25 in the 2015/16 financial year and 5.02 and 5.21 for the two outer years of the MTREF. These are only estimates at this stage
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

##### 2.3.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

##### 2.3.1.5 Creditors Management

- The Municipality could not manage to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has not managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a negative impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to damage the Municipality in the form of more competitive pricing of tenders, as suppliers will not compete for the Municipality's business.

## **2.4 Overview of budget related-policies**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The following budget-related policies have been approved by Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation. The policies are opened for inspection and comment and the final copies will be tabled when the budget is adopted in May 2015

2.4.1 Budget Policy

2.4.2 Supply Chain Management Policy

2.4.3. Rates Policy

2.4.4 Tariff Policy

2.4.5 Credit Control & Debt Collection Policy

2.4.6 Subsistence & Travel Policy

2.4.7 Leave Policy

2.4.8 Virement Policy

2.4.9 Cash Management and Investment Policy

2.4.10 Overtime Policy

2.4.11 Budget policy

2.4.12 Banking Policy

## 2.5 Councillor and employee benefits

**Table 26 MBRR SA22 - Summary of councillor and staff benefits**

KZN226 Mkhambathini - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration<br>R thousand | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
|   |     | A               | B               | C               | D                    | E               | F                  | G   | H                      | I                      |
| <b>Councillors (Political Office Bearers plus Other)</b>      | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     | 3 650           | 3 638           | 4 101           | 4 752                | 4 752           | 4 122              | 5 200   | 5 200                  | 5 200                  |
| Pension and UIF Contributions                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Housing Allowances  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub Total - Councillors                                       |     | 3 650           | 3 638           | 4 101           | 4 752                | 4 752           | 4 122              | 5 200   | 5 200                  | 5 200                  |
| % increase  | 4   |                 | (0.3%)          | 12.7%           | 15.9%                | -               | (13.3%)            | 26.2%   | -                      | -                      |
| <b>Senior Managers of the Municipality</b>                    | 2   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     | 3 091           |                 | 3 976           | 4 892                | 4 892           | 4 892              | 4 256   | 4 469                  | 4 696                  |
| Pension and UIF Contributions                                 |     | 103             | -               | -               |                      |                 |                    |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Overtime  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Performance Bonus   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       | 3   | 276             |                 | -               |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   | 3   | 50              | 50              | -               |                      |                 |                    | 42  | 42                     | 42                     |
| Housing Allowances  | 3   | 42              | 41              | -               |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub Total - Senior Managers of Municipality                   |     | 3 562           | 92              | 3 976           | 4 892                | 4 892           | 4 892              | 4 298   | 4 511                  | 4 738                  |
| % increase  | 4   |                 | (97.4%)         | 4 243.0%        | 23.0%                | -               | -                  | (12.1%)   | 5.0%                   | 5.0%                   |
| <b>Other Municipal Staff</b>                                  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     | 8 804           | 11 142          | 11 846          | 5 213                | 5 213           | 5 213              | 14 235  | 15 183                 | 16 187                 |
| Pension and UIF Contributions                                 |     | 1 504           | 1 846           | 1 660           | 3 455                | 3 455           | 3 455              | 2 223   | 2 357                  | 2 498                  |
| Medical Aid Contributions                                     |     | 500             | 588             | 615             | 620                  | 620             | 620                | 833   | 883                    | 936                    |
| Overtime  |     | 294             | 1 018           | 757             | 710                  | 710             | 710                | 855   | 906                    | 961                    |
| Performance Bonus   |     | 710             | 1 307           | 1 390           | 917                  | 917             | 917                | 2 415   | 2 560                  | 2 576                  |
| Motor Vehicle Allowance                                       | 3   |                 | 86              | 91              | 359                  | 359             | 318                | 337   | 337                    | 357                    |
| Cellphone Allowance   | 3   |                 | 14              | 15              | 60                   | 60              | 60                 | 52  | 55                     | 58                     |
| Housing Allowances  | 3   | 27              | 31              | 33              | 42                   | 42              | 42                 | 52  | 55                     | 58                     |
| Other benefits and allowances                                 | 3   |                 | 102             | 109             | 268                  | 268             | 268                | 90  | 43                     | 132                    |
| Payments in lieu of leave                                     |     |                 | 478             | 509             | 411                  | 411             | 411                | 423   | 448                    | 475                    |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub Total - Other Municipal Staff                             |     | 11 839          | 16 612          | 17 023          | 12 055               | 12 055          | 12 055             | 21 496  | 22 826                 | 24 239                 |
| % increase  | 4   |                 | 40.3%           | 2.5%            | (29.2%)              | -               | -                  | 78.3%   | 6.2%                   | 6.2%                   |
| <b>Total Parent Municipality</b>                              |     | 19 051          | 20 342          | 25 101          | 21 699               | 21 699          | 21 069             | 30 994  | 32 538                 | 34 176                 |
|   |     |                 | 6.8%            | 23.4%           | (13.6%)              | -               | (2.9%)             | 47.1%   | 5.0%                   | 5.0%                   |
| <b>Board Members of Entities</b>                              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Pension and UIF Contributions                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Overtime  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Performance Bonus   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Housing Allowances  | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Board Fees  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub Total - Board Members of Entities                         |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| % increase  | 4   |                 | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Senior Managers of Entities</b>                            |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Pension and UIF Contributions                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Overtime  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Performance Bonus   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Housing Allowances  | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub Total - Senior Managers of Entities                       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| % increase  | 4   |                 | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Other Staff of Entities</b>                                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Pension and UIF Contributions                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Overtime  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Performance Bonus   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Housing Allowances  | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sub Total - Other Staff of Entities                           |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| % increase  | 4   |                 | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Municipal Entities</b>                               |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>                |     | 19 051          | 20 342          | 25 101          | 21 699               | 21 699          | 21 069             | 30 994  | 32 538                 | 34 176                 |
| % increase  | 4   |                 | 6.8%            | 23.4%           | (13.6%)              | -               | (2.9%)             | 47.1%   | 5.0%                   | 5.0%                   |
| <b>TOTAL MANAGERS AND STAFF</b>                               | 5.7 | 15 401          | 16 704          | 21 000          | 16 947               | 16 947          | 16 947             | 25 794  | 27 338                 | 28 976                 |

**Table 27 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

KZN226 Mkhambathini - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration<br>R thousand | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
|   |     | A               | B               | C               | D                    | E               | F                  | G   | H                      | I                      |
| <b>Councillors (Political Office Bearers plus Other)</b>      | 1   | 3 650           | 3 638           | 4 101           | 4 752                | 4 752           | 4 122              | 5 200   | 5 200                  | 5 200                  |
| Basic Salaries and Wages                                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Pension and UIF Contributions                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Housing Allowances  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Sub Total - Councillors</b>                                |     | 3 650           | 3 638           | 4 101           | 4 752                | 4 752           | 4 122              | 5 200   | 5 200                  | 5 200                  |
| <b>% Increase</b>   | 4   |                 | (0.3%)          | 12.7%           | 15.9%                | -               | (13.3%)            | 26.2%   | -                      | -                      |
| <b>Senior Managers of the Municipality</b>                    | 2   | 3 091           | -               | 3 976           | 4 892                | 4 892           | 4 892              | 4 256   | 4 469                  | 4 696                  |
| Basic Salaries and Wages                                      |     | 103             | -               | -               |                      |                 |                    |   |                        |                        |
| Pension and UIF Contributions                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Overtime  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Performance Bonus   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       | 3   | 276             | -               | -               |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   | 3   | 50              | 50              | -               |                      |                 |                    | 42  | 42                     | 42                     |
| Housing Allowances  | 3   | 42              | 41              | -               |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Sub Total - Senior Managers of Municipality</b>            |     | 3 562           | 92              | 3 976           | 4 892                | 4 892           | 4 892              | 4 298   | 4 511                  | 4 738                  |
| <b>% Increase</b>   | 4   |                 | (97.4%)         | 4 243.0%        | 23.0%                | -               | -                  | (12.1%)   | 5.0%                   | 5.0%                   |
| <b>Other Municipal Staff</b>                                  |     | 8 804           | 11 142          | 11 846          | 5 213                | 5 213           | 5 213              | 14 235  | 15 183                 | 16 187                 |
| Basic Salaries and Wages                                      |     | 1 504           | 1 846           | 1 660           | 3 455                | 3 455           | 3 455              | 2 223   | 2 357                  | 2 498                  |
| Pension and UIF Contributions                                 |     | 500             | 588             | 615             | 620                  | 620             | 620                | 833   | 883                    | 936                    |
| Medical Aid Contributions                                     |     | 294             | 1 018           | 757             | 710                  | 710             | 710                | 855   | 906                    | 961                    |
| Overtime  |     | 710             | 1 307           | 1 390           | 917                  | 917             | 917                | 2 415   | 2 560                  | 2 576                  |
| Performance Bonus   |     |                 | 86              | 91              | 359                  | 359             | 359                | 318   | 337                    | 357                    |
| Motor Vehicle Allowance                                       | 3   |                 | 14              | 15              | 60                   | 60              | 60                 | 52  | 55                     | 58                     |
| Cellphone Allowance   | 3   |                 | 31              | 33              | 42                   | 42              | 42                 | 52  | 55                     | 58                     |
| Housing Allowances  | 3   | 27              | 102             | 109             | 268                  | 268             | 268                | 90  | 43                     | 132                    |
| Other benefits and allowances                                 | 3   |                 | 478             | 509             | 411                  | 411             | 411                | 423   | 448                    | 475                    |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Sub Total - Other Municipal Staff</b>                      |     | 11 839          | 16 612          | 17 023          | 12 055               | 12 055          | 12 055             | 21 496  | 22 826                 | 24 239                 |
| <b>% Increase</b>   | 4   |                 | 40.3%           | 2.5%            | (29.2%)              | -               | -                  | 78.3%   | 6.2%                   | 6.2%                   |
| <b>Total Parent Municipality</b>                              |     | 19 051          | 20 342          | 25 101          | 21 699               | 21 699          | 21 069             | 30 994  | 32 538                 | 34 176                 |
|   |     |                 | 6.8%            | 23.4%           | (13.6%)              | -               | (2.9%)             | 47.1%   | 5.0%                   | 5.0%                   |
| <b>Board Members of Entities</b>                              |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Pension and UIF Contributions                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Overtime  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Performance Bonus   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Housing Allowances  | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Board Fees  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Sub Total - Board Members of Entities</b>                  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>% Increase</b>   | 4   |                 | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Senior Managers of Entities</b>                            |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Pension and UIF Contributions                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Overtime  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Performance Bonus   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Housing Allowances  | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Sub Total - Senior Managers of Entities</b>                |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>% Increase</b>   | 4   |                 | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Other Staff of Entities</b>                                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Basic Salaries and Wages                                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Pension and UIF Contributions                                 |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Medical Aid Contributions                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Overtime  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Performance Bonus   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Motor Vehicle Allowance                                       | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cellphone Allowance   | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Housing Allowances  | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other benefits and allowances                                 | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Payments in lieu of leave                                     |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Long service awards   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Post-retirement benefit obligations                           | 6   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Sub Total - Other Staff of Entities</b>                    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>% Increase</b>   | 4   |                 | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Total Municipal Entities</b>                               |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>                |     | 19 051          | 20 342          | 25 101          | 21 699               | 21 699          | 21 069             | 30 994  | 32 538                 | 34 176                 |
| <b>% Increase</b>   | 4   |                 | 6.8%            | 23.4%           | (13.6%)              | -               | (2.9%)             | 47.1%   | 5.0%                   | 5.0%                   |
| <b>TOTAL MANAGERS AND STAFF</b>                               | 5,7 | 15 401          | 16 704          | 21 000          | 16 947               | 16 947          | 16 947             | 25 794  | 27 338                 | 28 976                 |

KZN226 Mkhambathini - Supporting Table SA23 Salaries, allowances &amp; benefits (political office bearers/councillors/senior managers)

| <b>Disclosure of Salaries, Allowances &amp; Benefits 1.</b>   | <b>Ref</b> | <b>No.</b> | <b>Salary</b> | <b>Contributions</b> | <b>Allowances</b> | <b>Performance Bonuses</b> | <b>In-kind benefits</b> | <b>Total Package</b> |
|---|------------|------------|---------------|----------------------|-------------------|----------------------------|-------------------------|----------------------|
| Rand per annum  |            |            |               | 1.                   |                   |                            |                         | 2.                   |
| <b>Councillors</b>  | 3          |            |               |                      |                   |                            |                         |                      |
| Speaker   | 4          | 1          | 361 769       |                      | 152 655           |                            |                         | 514 424              |
| Chief Whip  |            | 1          |               |                      |                   |                            |                         | -                    |
| Executive Mayor   |            | 1          | 479 344       |                      | 184 611           |                            |                         | 663 956              |
| Deputy Executive Mayor  |            | 1          | 383 475       |                      | 152 655           |                            |                         | 536 130              |
| Executive Committee   |            | 1          | 186 537       |                      | 90 740            |                            |                         | 277 278              |
| Total for all other councillors                               |            |            | 1 468 332     |                      | 741 223           |                            |                         | 2 209 555            |
| <b>Total Councillors</b>                                      | 8          | 5          | 2 879 458     | -                    | 1 321 885         |                            |                         | 4 201 343            |
| <b>Senior Managers of the Municipality</b>                    | 5          |            |               |                      |                   |                            |                         |                      |
| Municipal Manager (MM)  |            | 1          | 993 057       | -                    | 12 000            | -                          |                         | 1 005 057            |
| Chief Finance Officer   |            | 1          | 813 657       | -                    | 9 600             | -                          |                         | 823 257              |
| Manager Corporate Services                                    |            | 1          | 813 657       | -                    | 9 600             | -                          |                         | 823 257              |
| Manager Community Services                                    |            | 1          | 813 657       | -                    | 9 600             | -                          |                         | 823 257              |
| Manger Technical Services                                     |            | 1          | 813 657       | -                    | 9 600             | -                          |                         | 823 257              |
| List of each official with packages >= senior manager         |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
| <b>Total Senior Managers of the Municipality</b>              | 8,10       | 5          | 4 247 685     | -                    | 50 400            | -                          |                         | 4 298 085            |
| <b>A Heading for Each Entity</b>                              | 6,7        |            |               |                      |                   |                            |                         |                      |
| List each member of board by designation                      |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
|   |            |            |               |                      |                   |                            |                         | -                    |
| <b>Total for municipal entities</b>                           | 8,10       | -          | -             | -                    | -                 | -                          |                         | -                    |
| TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION | 10         | 10         | 7 127 143     | -                    | 1 372 285         | -                          |                         | 8 499 428            |

**Table 28 MBRR SA24 – Summary of personnel numbers**

KZN226 Mkhambathini - Supporting Table SA24 Summary of personnel numbers

| Summary of Personnel Numbers<br>Number                        | Ref | 2013/14   |                     |                    | Current Year 2014/15 |                     |                    | Budget Year 2015/16 |                     |                    |
|---|-----|-----------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|---------------------|--------------------|
|   |     | Positions | Permanent employees | Contract employees | Positions            | Permanent employees | Contract employees | Positions           | Permanent employees | Contract employees |
| <b>Municipal Council and Boards of Municipal Entities</b>     |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Councillors (Political Office Bearers plus Other Councillors) |     | 14        | 3                   | 11                 | 14                   | 3                   | 11                 | 14                  | 3                   | 11                 |
| Board Members of municipal entities                           | 4   |           |                     |                    |                      |                     |                    |                     |                     |                    |
| <b>Municipal employees</b>                                    | 5   |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Municipal Manager and Senior Managers                         | 3   | 3         | –                   | 3                  | 5                    | –                   | 5                  | 5                   | –                   | 5                  |
| Other Managers  | 7   |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Professionals   |     | 44        | 39                  | 17                 | 44                   | 39                  | 17                 | 44                  | 39                  | 17                 |
| Finance   |     |           | 6                   | 7                  |                      | 6                   | 7                  |                     | 6                   | 7                  |
| Spatial/town planning   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Information Technology  |     | 1         | –                   | 1                  | 1                    | –                   | 1                  | 1                   | –                   | 1                  |
| Roads   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Electricity   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Water   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Sanitation  |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Refuse  |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Other   |     | 43        | 33                  | 9                  | 43                   | 33                  | 9                  | 43                  | 33                  | 9                  |
| Technicians   |     | –         | –                   | –                  | –                    | –                   | –                  | –                   | –                   | –                  |
| Finance   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Spatial/town planning   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Information Technology  |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Roads   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Electricity   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Water   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Sanitation  |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Refuse  |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Other   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Clerks (Clerical and administrative)                          |     | 36        | 36                  | –                  | 36                   | 36                  | –                  | 36                  | 36                  | –                  |
| Service and sales workers                                     |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Skilled agricultural and fishery workers                      |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Craft and related trades                                      |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Plant and Machine Operators                                   |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| Elementary Occupations  |     |           |                     |                    |                      |                     |                    |                     |                     |                    |
| <b>TOTAL PERSONNEL NUMBERS</b>                                | 9   | <b>97</b> | <b>78</b>           | <b>31</b>          | <b>99</b>            | <b>78</b>           | <b>33</b>          | <b>99</b>           | <b>78</b>           | <b>33</b>          |

## **2.6 Monthly targets for revenue, expenditure and cash flow**

**Table 29 MBRR SA25 - Budgeted monthly revenue and expenditure**

KZN226 Mkhambathini - Supporting Table SA25 Budgeted monthly revenue and expenditure

| Description  | Ref      | Budget Year 2015/16 |              |              |              |              |              |              |              |              |              |              |                 | Medium Term Revenue and Expenditure Framework |                        |                        |
|--|----------|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|---|------------------------|------------------------|
|  |          | July                | August       | Sept.        | October      | November     | December     | January      | February     | March        | April        | May          | June            | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue By Source</b>   |          |                     |              |              |              |              |              |              |              |              |              |              |                 |   |                        |                        |
| Property rates   |          | 955                 | 955          | 955          | 955          | 955          | 955          | 955          | 955          | 955          | 955          | 955          | 955             | 11 454  | 12 141                 | 12 870                 |
| Property rates - penalties & collection charges                      |          | 106                 | 106          | 106          | 106          | 106          | 106          | 106          | 106          | 106          | 106          | 106          | (1 166)         | -   | -                      | -                      |
| Service charges - electricity revenue                                |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Service charges - water revenue                                      |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Service charges - sanitation revenue                                 |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Service charges - refuse revenue                                     |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Service charges - other  |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Rental of facilities and equipment                                   |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Interest earned - external investments                               |          |                     |              |              |              |              |              |              |              |              |              |              | 800             | 800   | 800                    | 800                    |
| Interest earned - outstanding debtors                                |          |                     |              |              |              |              |              |              |              |              |              |              | 1 272           | 1 272   | 1 348                  | 1 429                  |
| Dividends received   |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Fines  |          |                     |              |              |              |              |              |              |              |              |              |              | 41              | 41  | 44                     | 46                     |
| Licences and permits   |          |                     |              |              |              |              |              |              |              |              |              |              | 4 873           | 4 873   | 5 166                  | 5 476                  |
| Agency services  |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Transfers recognised - operational                                   |          |                     |              |              |              |              |              |              |              |              |              |              | 65 873          | 65 873  | 66 195                 | 63 847                 |
| Other revenue  |          |                     |              |              |              |              |              |              |              |              |              |              | 384             | 384   | 406                    | 430                    |
| Gains on disposal of PPE   |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |          | <b>1 061</b>        | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>73 032</b>   | <b>84 697</b>                                 | <b>86 100</b>          | <b>84 898</b>          |
| <b>Expenditure By Type</b>   |          |                     |              |              |              |              |              |              |              |              |              |              |                 |   |                        |                        |
| Employee related costs   |          |                     |              |              |              |              |              |              |              |              |              |              | 25 752          | 25 752  | 27 296                 | 28 934                 |
| Remuneration of councillors  |          |                     |              |              |              |              |              |              |              |              |              |              | 5 200           | 5 200   | 5 800                  | 6 100                  |
| Debt impairment  |          |                     |              |              |              |              |              |              |              |              |              |              | 800             | 800   | 800                    | 800                    |
| Depreciation & asset impairment                                      |          |                     |              |              |              |              |              |              |              |              |              |              | 4 700           | 4 700   | 4 850                  | 5 000                  |
| Finance charges  |          |                     |              |              |              |              |              |              |              |              |              |              | 200             | 200   | 212                    | 225                    |
| Bulk purchases   |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Other materials  |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Contracted services  |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Transfers and grants   |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Other expenditure  |          |                     |              |              |              |              |              |              |              |              |              |              | 46 975          | 46 975  | 46 760                 | 43 387                 |
| Loss on disposal of PPE  |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| <b>Total Expenditure</b>   |          | <b>-</b>            | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>83 627</b>   | <b>83 627</b>                                 | <b>85 718</b>          | <b>84 446</b>          |
| <b>Surplus/(Deficit)</b>   |          | <b>1 061</b>        | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>(10 595)</b> | <b>1 070</b>                                  | <b>382</b>             | <b>452</b>             |
| Transfers recognised - capital                                       |          |                     |              |              |              |              |              |              |              |              |              |              | 16 851          | 16 851  | 17 362                 | 18 129                 |
| Contributions recognised - capital                                   |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Contributed assets   |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |          | <b>1 061</b>        | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>6 256</b>    | <b>17 921</b>                                 | <b>17 744</b>          | <b>18 581</b>          |
| Taxation   |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Attributable to minorities   |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| Share of surplus/ (deficit) of associate                             |          |                     |              |              |              |              |              |              |              |              |              |              |                 | -   | -                      | -                      |
| <b>Surplus/(Deficit)</b>   | <b>1</b> | <b>1 061</b>        | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>1 061</b> | <b>6 256</b>    | <b>17 921</b>                                 | <b>17 744</b>          | <b>18 581</b>          |



**Table 30 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

KZN226 Mkhambathini - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

| Description                               | Ref | Budget Year 2015/16 |        |       |         |          |          |         |          |       |       |       |       | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|---------------------|--------|-------|---------|----------|----------|---------|----------|-------|-------|-------|-------|---|------------------------|------------------------|
|   |     | July                | August | Sept. | October | November | December | January | February | March | April | May   | June  | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand                                |     |                     |        |       |         |          |          |         |          |       |       |       |       |   |                        |                        |
| Revenue by Vote                           |     |                     |        |       |         |          |          |         |          |       |       |       |       |   |                        |                        |
| Vote 1 - Executive and Council            |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 2 - Municipal Manager                |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 3 - Budget and Treasury Office       |     | 6 506               | 6 506  | 6 506 | 6 506   | 6 506    | 6 506    | 6 506   | 6 506    | 6 506 | 6 506 | 6 506 | 6 507 | 78 075  | 79 079                 | 77 537                 |
| Vote 4 - Corporate Services               |     | 78                  | 78     | 78    | 78      | 78       | 78       | 78      | 78       | 78    | 78    | 78    | 78    | 930   | 1 033                  | 1 058                  |
| Vote 5 - Community Services               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 6 - Library                          |     | 68                  | 68     | 68    | 68      | 68       | 68       | 68      | 68       | 68    | 68    | 68    | 68    | 818   | 823                    | 827                    |
| Vote 7 - Vehicle Registration and Testing |     | 406                 | 406    | 406   | 406     | 406      | 406      | 406     | 406      | 406   | 406   | 406   | 406   | 4 873   | 5 166                  | 5 476                  |
| Vote 8 - Solid Waste                      |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 9 - Technical Services               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 10 - Technical Services              |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 11 - [NAME OF VOTE 11]               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 12 - [NAME OF VOTE 12]               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 13 - [NAME OF VOTE 13]               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 14 - [NAME OF VOTE 14]               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Total Revenue by Vote                     |     | 7 058               | 7 058  | 7 058 | 7 058   | 7 058    | 7 058    | 7 058   | 7 058    | 7 058 | 7 058 | 7 058 | 7 059 | 84 697  | 86 100                 | 84 898                 |
| Expenditure by Vote to be appropriated    |     |                     |        |       |         |          |          |         |          |       |       |       |       |   |                        |                        |
| Vote 1 - Executive and Council            |     | 607                 | 607    | 607   | 607     | 607      | 607      | 607     | 607      | 607   | 607   | 607   | 607   | 7 279   | 7 980                  | 8 387                  |
| Vote 2 - Municipal Manager                |     | 135                 | 135    | 135   | 135     | 135      | 135      | 135     | 135      | 135   | 135   | 135   | 135   | 1 615   | 1 700                  | 1 790                  |
| Vote 3 - Budget and Treasury Office       |     | 1 527               | 1 527  | 1 527 | 1 527   | 1 527    | 1 527    | 1 527   | 1 527    | 1 527 | 1 527 | 1 527 | 1 527 | 18 323  | 19 201                 | 19 191                 |
| Vote 4 - Corporate Services               |     | 1 216               | 1 216  | 1 216 | 1 216   | 1 216    | 1 216    | 1 216   | 1 216    | 1 216 | 1 216 | 1 216 | 1 217 | 14 594  | 15 168                 | 15 292                 |
| Vote 5 - Community Services               |     | 1 268               | 1 268  | 1 268 | 1 268   | 1 268    | 1 268    | 1 268   | 1 268    | 1 268 | 1 268 | 1 268 | 1 267 | 15 212  | 14 802                 | 14 671                 |
| Vote 6 - Library                          |     | 169                 | 169    | 169   | 169     | 169      | 169      | 169     | 169      | 169   | 169   | 169   | 169   | 2 030   | 2 092                  | 2 408                  |
| Vote 7 - Vehicle Registration and Testing |     | 286                 | 286    | 286   | 286     | 286      | 286      | 286     | 286      | 286   | 286   | 286   | 286   | 3 428   | 3 586                  | 3 753                  |
| Vote 8 - Solid Waste                      |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 9 - Technical Services               |     | 1 762               | 1 762  | 1 762 | 1 762   | 1 762    | 1 762    | 1 762   | 1 762    | 1 762 | 1 762 | 1 762 | 1 762 | 21 145  | 21 190                 | 18 955                 |
| Vote 10 - Technical Services              |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 11 - [NAME OF VOTE 11]               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 12 - [NAME OF VOTE 12]               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 13 - [NAME OF VOTE 13]               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 14 - [NAME OF VOTE 14]               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]               |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Total Expenditure by Vote                 |     | 6 969               | 6 969  | 6 969 | 6 969   | 6 969    | 6 969    | 6 969   | 6 969    | 6 969 | 6 969 | 6 969 | 6 969 | 83 626  | 85 719                 | 84 446                 |
| Surplus/(Deficit) before assoc.           |     | 89                  | 89     | 89    | 89      | 89       | 89       | 89      | 89       | 89    | 89    | 89    | 89    | 1 070   | 382                    | 451                    |
| Taxation                                  |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Attributable to minorities                |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Share of surplus/ (deficit) of associate  |     |                     |        |       |         |          |          |         |          |       |       |       | -     | -   | -                      | -                      |
| Surplus/(Deficit)                         | 1   | 89                  | 89     | 89    | 89      | 89       | 89       | 89      | 89       | 89    | 89    | 89    | 89    | 1 070   | 382                    | 451                    |

**Table 31 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

KZN226 Mkhambathini - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

| Description                                | Ref | Budget Year 2015/16 |        |       |         |          |          |         |          |       |       |       |          | Medium Term Revenue and Expenditure Framework |                        |                        |
|--|-----|---------------------|--------|-------|---------|----------|----------|---------|----------|-------|-------|-------|----------|---|------------------------|------------------------|
|  |     | July                | August | Sept. | October | November | December | January | February | March | April | May   | June     | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Revenue - Standard</b>                  |     |                     |        |       |         |          |          |         |          |       |       |       |          |   |                        |                        |
| <i>Governance and administration</i>       |     | 6 565               | 6 565  | 6 565 | 6 565   | 6 565    | 6 565    | 6 565   | 6 565    | 6 565 | 6 565 | 6 565 | 6 565    | 78 774  | 79 867                 | 78 336                 |
| Executive and council                      |     | 88                  | 88     | 88    | 88      | 88       | 88       | 88      | 88       | 88    | 88    | 88    | 88       | 1 058   | -                      | -                      |
| Budget and treasury office                 |     | 6 399               | 6 399  | 6 399 | 6 399   | 6 399    | 6 399    | 6 399   | 6 399    | 6 399 | 6 399 | 6 399 | 6 399    | 76 786  | 78 834                 | 77 278                 |
| Corporate services                         |     | 78                  | 78     | 78    | 78      | 78       | 78       | 78      | 78       | 78    | 78    | 78    | 78       | 930   | 1 033                  | 1 058                  |
| <i>Community and public safety</i>         |     | -                   | -      | -     | -       | -        | -        | -       | -        | -     | -     | -     | -        | 818   | 823                    | 827                    |
| Community and social services              |     |                     |        |       |         |          |          |         |          |       |       |       |          | 818   | 823                    | 827                    |
| Sport and recreation                       |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Public safety                              |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Housing                                    |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Health                                     |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| <i>Economic and environmental services</i> |     | 425                 | 425    | 425   | 425     | 425      | 425      | 425     | 425      | 425   | 425   | 425   | 425      | 5 104   | 5 410                  | 5 735                  |
| Planning and development                   |     | 19                  | 19     | 19    | 19      | 19       | 19       | 19      | 19       | 19    | 19    | 19    | 19       | 231   | 245                    | 260                    |
| Road transport                             |     | 406                 | 406    | 406   | 406     | 406      | 406      | 406     | 406      | 406   | 406   | 406   | 406      | 4 873   | 5 166                  | 5 476                  |
| Environmental protection                   |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| <i>Trading services</i>                    |     | -                   | -      | -     | -       | -        | -        | -       | -        | -     | -     | -     | -        | -   | -                      | -                      |
| Electricity                                |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Water                                      |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Waste water management                     |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Waste management                           |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| <i>Other</i>                               |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| <b>Total Revenue - Standard</b>            |     | 6 990               | 6 990  | 6 990 | 6 990   | 6 990    | 6 990    | 6 990   | 6 990    | 6 990 | 6 990 | 6 990 | 7 808    | 84 697  | 86 100                 | 84 898                 |
| <b>Expenditure - Standard</b>              |     |                     |        |       |         |          |          |         |          |       |       |       |          |   |                        |                        |
| <i>Governance and administration</i>       |     | 3 484               | 3 484  | 3 484 | 3 484   | 3 484    | 3 484    | 3 484   | 3 484    | 3 484 | 3 484 | 3 484 | 3 484    | 41 811  | 44 049                 | 44 659                 |
| Executive and council                      |     | 741                 | 741    | 741   | 741     | 741      | 741      | 741     | 741      | 741   | 741   | 741   | 741      | 8 894   | 9 680                  | 10 177                 |
| Budget and treasury office                 |     | 1 527               | 1 527  | 1 527 | 1 527   | 1 527    | 1 527    | 1 527   | 1 527    | 1 527 | 1 527 | 1 527 | 1 527    | 18 323  | 19 201                 | 19 191                 |
| Corporate services                         |     | 1 216               | 1 216  | 1 216 | 1 216   | 1 216    | 1 216    | 1 216   | 1 216    | 1 216 | 1 216 | 1 216 | 1 216    | 14 594  | 15 168                 | 15 292                 |
| <i>Community and public safety</i>         |     | 1 437               | 144    | 144   | 144     | 144      | 144      | 144     | 144      | 144   | 144   | 144   | 144      | 14 368  | 17 242                 | 16 894                 |
| Community and social services              |     | #####               | 144    | 144   | 144     | 144      | 144      | 144     | 144      | 144   | 144   | 144   | 144      | 14 368  | 17 242                 | 16 894                 |
| Sport and recreation                       |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Public safety                              |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Housing                                    |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Health                                     |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| <i>Economic and environmental services</i> |     | 2 048               | 2 048  | 2 048 | 2 048   | 2 048    | 2 048    | 2 048   | 2 048    | 2 048 | 2 048 | 2 048 | 2 048    | 24 573  | 24 776                 | 22 708                 |
| Planning and development                   |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Road transport                             |     | 2 048               | 2 048  | 2 048 | 2 048   | 2 048    | 2 048    | 2 048   | 2 048    | 2 048 | 2 048 | 2 048 | 2 048    | 24 573  | 24 776                 | 22 708                 |
| Environmental protection                   |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| <i>Trading services</i>                    |     | -                   | -      | -     | -       | -        | -        | -       | -        | -     | -     | -     | -        | -   | -                      | -                      |
| Electricity                                |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Water                                      |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Waste water management                     |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| Waste management                           |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| <i>Other</i>                               |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| <b>Total Expenditure - Standard</b>        |     | 6 969               | 5 676  | 5 676 | 5 676   | 5 676    | 5 676    | 5 676   | 5 676    | 5 676 | 5 676 | 5 676 | 19 900   | 83 626  | 85 719                 | 84 446                 |
| <b>Surplus/(Deficit) before assoc.</b>     |     | 21                  | 1 314  | 1 314 | 1 314   | 1 314    | 1 314    | 1 314   | 1 314    | 1 314 | 1 314 | 1 314 | (12 092) | 1 070   | 381                    | 452                    |
| Share of surplus/ (deficit) of associate   |     |                     |        |       |         |          |          |         |          |       |       |       |          | -   | -                      | -                      |
| <b>Surplus/(Deficit)</b>                   | 1   | 21                  | 1 314  | 1 314 | 1 314   | 1 314    | 1 314    | 1 314   | 1 314    | 1 314 | 1 314 | 1 314 | (12 092) | 1 070   | 381                    | 452                    |

**Table 32 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

KZN226 Mkhambathini - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

| Description                                       | Ref | Budget Year 2015/16 |        |       |         |      |      |         |      |       |       |     |      | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|---------------------|--------|-------|---------|------|------|---------|------|-------|-------|-----|------|---|------------------------|------------------------|
|   |     | July                | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Multi-year expenditure to be appropriated</b>  | 1   |                     |        |       |         |      |      |         |      |       |       |     |      |   |                        |                        |
| Vote 1 - Executive and Council                    |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 2 - Municipal Manager                        |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 3 - Budget and Treasury Office               |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 4 - Corporate Services                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 5 - Community Services                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 6 - Library                                  |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 7 - Vehicle Registration and Testing         |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 8 - Solid Waste                              |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 9 - Technical Services                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 10 - Technical Services                      |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 11 - [NAME OF VOTE 11]                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 12 - [NAME OF VOTE 12]                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 13 - [NAME OF VOTE 13]                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 14 - [NAME OF VOTE 14]                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| <b>Capital multi-year expenditure sub-total</b>   | 2   | -                   | -      | -     | -       | -    | -    | -       | -    | -     | -     | -   | -    | -   | -                      | -                      |
| <b>Single-year expenditure to be appropriated</b> |     |                     |        |       |         |      |      |         |      |       |       |     |      |   |                        |                        |
| Vote 1 - Executive and Council                    |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 2 - Municipal Manager                        |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 3 - Budget and Treasury Office               |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 4 - Corporate Services                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 5 - Community Services                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 6 - Library                                  |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 7 - Vehicle Registration and Testing         |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 8 - Solid Waste                              |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 9 - Technical Services                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 10 - Technical Services                      |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 11 - [NAME OF VOTE 11]                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 12 - [NAME OF VOTE 12]                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 13 - [NAME OF VOTE 13]                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 14 - [NAME OF VOTE 14]                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| Vote 15 - [NAME OF VOTE 15]                       |     |                     |        |       |         |      |      |         |      |       |       |     | -    | -   | -                      | -                      |
| <b>Capital single-year expenditure sub-total</b>  | 2   | -                   | -      | -     | -       | -    | -    | -       | -    | -     | -     | -   | -    | -   | -                      | -                      |
| <b>Total Capital Expenditure</b>                  | 2   | -                   | -      | -     | -       | -    | -    | -       | -    | -     | -     | -   | -    | -   | -                      | -                      |

**Table 33 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

KZN226 Mkhambathini - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

| Description                                 | Ref | Budget Year 2015/16 |        |       |         |       |       |         |       |       |       |       |       | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|-----|---------------------|--------|-------|---------|-------|-------|---------|-------|-------|-------|-------|-------|---|------------------------|------------------------|
|   |     | July                | August | Sept. | October | Nov.  | Dec.  | January | Feb.  | March | April | May   | June  | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Capital Expenditure - Standard</b>       | 1   |                     |        |       |         |       |       |         |       |       |       |       |       |   |                        |                        |
| <i>Governance and administration</i>        |     | 204                 | 204    | 204   | 204     | 204   | 204   | 204     | 204   | 204   | 204   | 204   | 204   | 2 450   | 1 600                  | 1 600                  |
| Executive and council                       |     | 100                 | 100    | 100   | 100     | 100   | 100   | 100     | 100   | 100   | 100   | 100   | 100   | 1 200   | 1 200                  | 1 200                  |
| Budget and treasury office                  |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Corporate services                          |     | 104                 | 104    | 104   | 104     | 104   | 104   | 104     | 104   | 104   | 104   | 104   | 104   | 1 250   | 400                    | 400                    |
| <i>Community and public safety</i>          |     | -                   | -      | -     | -       | -     | -     | -       | -     | -     | -     | -     | -     | -   | -                      | -                      |
| Community and social services               |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Sport and recreation                        |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Public safety                               |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Housing                                     |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Health                                      |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| <i>Economic and environmental services</i>  |     | 1 404               | 1 404  | 1 404 | 1 404   | 1 404 | 1 404 | 1 404   | 1 404 | 1 404 | 1 404 | 1 404 | 1 404 | 16 851  | 17 362                 | 18 129                 |
| Planning and development                    |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Road transport                              |     | 1 404               | 1 404  | 1 404 | 1 404   | 1 404 | 1 404 | 1 404   | 1 404 | 1 404 | 1 404 | 1 404 | 1 404 | 16 851  | 17 362                 | 18 129                 |
| Environmental protection                    |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| <i>Trading services</i>                     |     | -                   | -      | -     | -       | -     | -     | -       | -     | -     | -     | -     | -     | -   | -                      | -                      |
| Electricity                                 |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Water                                       |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Waste water management                      |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Waste management                            |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| <i>Other</i>                                |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| <b>Total Capital Expenditure - Standard</b> | 2   | 1 608               | 1 608  | 1 608 | 1 608   | 1 608 | 1 608 | 1 608   | 1 608 | 1 608 | 1 608 | 1 608 | 1 608 | 19 301  | 18 962                 | 19 729                 |
| <b>Funded by:</b>                           |     |                     |        |       |         |       |       |         |       |       |       |       |       |   |                        |                        |
| National Government                         |     | 1 404               | 1 404  | 1 404 | 1 404   | 1 404 | 1 404 | 1 404   | 1 404 | 1 404 | 1 404 | 1 404 | 1 404 | 16 851  | 17 362                 | 18 129                 |
| Provincial Government                       |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| District Municipality                       |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Other transfers and grants                  |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Transfers recognised - capital              |     | 1 404               | 1 404  | 1 404 | 1 404   | 1 404 | 1 404 | 1 404   | 1 404 | 1 404 | 1 404 | 1 404 | 1 404 | 16 851  | 17 362                 | 18 129                 |
| Public contributions & donations            |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Borrowing                                   |     |                     |        |       |         |       |       |         |       |       |       |       | -     | -   | -                      | -                      |
| Internally generated funds                  |     | 204                 | 204    | 204   | 204     | 204   | 204   | 204     | 204   | 204   | 204   | 204   | 204   | 2 450   | 1 600                  | 1 600                  |
| <b>Total Capital Funding</b>                |     | 1 608               | 1 608  | 1 608 | 1 608   | 1 608 | 1 608 | 1 608   | 1 608 | 1 608 | 1 608 | 1 608 | 1 608 | 19 301  | 18 962                 | 19 729                 |

**Table 34 MBRR SA30 - Budgeted monthly cash flow**

KZN226 Mkhambathini - Supporting Table SA30 Budgeted monthly cash flow

| MONTHLY CASH FLOWS                                      | Budget Year 2015/16 |              |              |              |              |              |              |              |              |              |              |              | Medium Term Revenue and Expenditure Framework |                        |                        |
|---|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---|------------------------|------------------------|
|   | July                | August       | Sept.        | October      | November     | December     | January      | February     | March        | April        | May          | June         | Budget Year 2015/16                           | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>Cash Receipts By Source</b>                          |                     |              |              |              |              |              |              |              |              |              |              |              | 1   |                        |                        |
| Property rates  | 620                 | 620          | 620          | 620          | 620          | 620          | 620          | 620          | 620          | 620          | 620          | 621          | 7 445   | 8 499                  | 9 652                  |
| Property rates - penalties & collection charges         | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Service charges - electricity revenue                   | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Service charges - water revenue                         | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Service charges - sanitation revenue                    | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Service charges - refuse revenue                        | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Service charges - other                                 | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Rental of facilities and equipment                      | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Interest earned - external investments                  | 7                   | 7            | 7            | 7            | 7            | 7            | 7            | 7            | 7            | 7            | 7            | 727          | 800   | 800                    | 800                    |
| Interest earned - outstanding debtors                   | 69                  | 69           | 69           | 69           | 69           | 69           | 69           | 69           | 69           | 69           | 69           | 69           | 827   | 944                    | 1 072                  |
| Dividends received                                      | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Fines   | 3                   | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 3            | 41  | 44                     | 46                     |
| Licences and permits                                    | 406                 | 406          | 406          | 406          | 406          | 406          | 406          | 406          | 406          | 406          | 406          | 406          | 4 873   | 5 166                  | 5 476                  |
| Agency services   | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Transfer receipts - operational                         | 5 489               | 5 489        | 5 489        | 5 489        | 5 489        | 5 489        | 5 489        | 5 489        | 5 489        | 5 489        | 5 489        | 5 489        | 65 873  | 66 195                 | 63 847                 |
| Other revenue   | 262                 | 262          | 262          | 262          | 262          | 262          | 262          | 262          | 262          | 262          | 262          | 262          | 3 144   | 3 117                  | 3 004                  |
| <b>Cash Receipts by Source</b>                          | <b>6 857</b>        | <b>6 857</b> | <b>6 857</b> | <b>6 857</b> | <b>6 857</b> | <b>6 857</b> | <b>6 857</b> | <b>6 857</b> | <b>6 857</b> | <b>6 857</b> | <b>6 857</b> | <b>7 577</b> | <b>83 003</b>                                 | <b>84 764</b>          | <b>83 897</b>          |
| <b>Other Cash Flows by Source</b>                       |                     |              |              |              |              |              |              |              |              |              |              |              |   |                        |                        |
| Transfer receipts - capital                             | 1 404               | 1 404        | 1 404        | 1 404        | 1 404        | 1 404        | 1 404        | 1 404        | 1 404        | 1 404        | 1 404        | 1 404        | 16 851  | 17 362                 | 18 129                 |
| Contributions recognised - capital & Contributed assets | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Proceeds on disposal of PPE                             | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Short term loans  | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Borrowing long term/refinancing                         | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Increase (decrease) in consumer deposits                | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Decrease (Increase) in non-current debtors              | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Decrease (Increase) other non-current receivables       | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Decrease (Increase) in non-current investments          | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| <b>Total Cash Receipts by Source</b>                    | <b>8 261</b>        | <b>8 261</b> | <b>8 261</b> | <b>8 261</b> | <b>8 261</b> | <b>8 261</b> | <b>8 261</b> | <b>8 261</b> | <b>8 261</b> | <b>8 261</b> | <b>8 261</b> | <b>8 981</b> | <b>99 854</b>                                 | <b>102 126</b>         | <b>102 026</b>         |
| <b>Cash Payments by Type</b>                            |                     |              |              |              |              |              |              |              |              |              |              |              |   |                        |                        |
| Employee related costs                                  | 1 931               | 1 931        | 1 931        | 1 931        | 1 931        | 1 931        | 1 931        | 1 931        | 1 931        | 1 931        | 1 931        | 1 931        | 23 177  | 24 566                 | 26 041                 |
| Remuneration of councillors                             | 433                 | 433          | 433          | 433          | 433          | 433          | 433          | 433          | 433          | 433          | 433          | 433          | 5 200   | 5 800                  | 6 100                  |
| Finance charges   | 17                  | 17           | 17           | 17           | 17           | 17           | 17           | 17           | 17           | 17           | 17           | 17           | 200   | 212                    | 225                    |
| Bulk purchases - Electricity                            | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Bulk purchases - Water & Sewer                          | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Other materials   | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Contracted services                                     | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Transfers and grants - other municipalities             | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Transfers and grants - other                            | 1 211               | 1 211        | 1 211        | 1 211        | 1 211        | 1 211        | 1 211        | 1 211        | 1 211        | 1 211        | 1 211        | 1 211        | 14 532  | 13 526                 | 11 677                 |
| Other expenditure                                       | 2 363               | 2 363        | 2 363        | 2 363        | 2 363        | 2 363        | 2 363        | 2 363        | 2 363        | 2 363        | 2 363        | 2 363        | 28 362  | 34 996                 | 33 758                 |
| <b>Cash Payments by Type</b>                            | <b>5 956</b>        | <b>5 956</b> | <b>5 956</b> | <b>5 956</b> | <b>5 956</b> | <b>5 956</b> | <b>5 956</b> | <b>5 956</b> | <b>5 956</b> | <b>5 956</b> | <b>5 956</b> | <b>5 956</b> | <b>71 471</b>                                 | <b>79 100</b>          | <b>77 801</b>          |
| <b>Other Cash Flows/Payments by Type</b>                |                     |              |              |              |              |              |              |              |              |              |              |              |   |                        |                        |
| Capital assets  | 1 126               | 1 126        | 1 126        | 1 126        | 1 126        | 1 126        | 1 126        | 1 126        | 1 126        | 1 126        | 1 126        | 1 126        | 13 511  | 13 273                 | 13 810                 |
| Repayment of borrowing                                  | -                   | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            | -   | -                      | -                      |
| Other Cash Flows/Payments                               | 2 450               | 2 450        | 2 450        | 2 450        | 2 450        | 2 450        | 2 450        | 2 450        | 2 450        | 2 450        | 2 450        | 2 450        | 2 450   | 2 450                  | 2 450                  |
| <b>Total Cash Payments by Type</b>                      | <b>7 082</b>        | <b>7 082</b> | <b>7 082</b> | <b>7 082</b> | <b>7 082</b> | <b>7 082</b> | <b>7 082</b> | <b>7 082</b> | <b>7 082</b> | <b>7 082</b> | <b>7 082</b> | <b>9 532</b> | <b>87 431</b>                                 | <b>92 373</b>          | <b>91 611</b>          |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>             | <b>1 179</b>        | <b>1 179</b> | <b>1 179</b> | <b>1 179</b> | <b>1 179</b> | <b>1 179</b> | <b>1 179</b> | <b>1 179</b> | <b>1 179</b> | <b>1 179</b> | <b>1 179</b> | <b>(550)</b> | <b>12 423</b>                                 | <b>9 753</b>           | <b>10 415</b>          |
| Cash/cash equivalents at the month/year begin:          | 5 000               | 6 179        | 7 359        | 8 538        | 9 718        | 10 897       | 12 076       | 13 256       | 14 435       | 15 615       | 16 794       | 17 973       | 5 000   | 17 423                 | 27 176                 |
| Cash/cash equivalents at the month/year end:            | 6 179               | 7 359        | 8 538        | 9 718        | 10 897       | 12 076       | 13 256       | 14 435       | 15 615       | 16 794       | 17 973       | 17 423       | 17 423  | 27 176                 | 37 590                 |

## **2.7 Annual budgets and SDBIPs – internal departments**

In terms of section 53(1)©(ii) the Mayor must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.

## **2.8 Capital expenditure details**

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

**Table MBRR SA 34a - Capital expenditure on new assets by asset class**

KZN226 Mkhambathini - Supporting Table SA34a Capital expenditure on new assets by asset class

| Description   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Capital expenditure on new assets by Asset Class/Sub-class</b> |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Infrastructure</b>   |     | 1 000           | 5 266           | 6 201           | 5 000                | 5 000           | 5 000              | 14 351  | 14 862                 | 15 629                 |
| Infrastructure - Road transport                                   |     | 1 000           | 5 266           | 6 201           | 5 000                | 5 000           | 5 000              | 14 351  | 14 862                 | 15 629                 |
| Roads, Pavements & Bridges  |     | 1 000           | 5 266           | 6 201           | 5 000                | 5 000           | 5 000              | 14 351  | 14 862                 | 15 629                 |
| Storm water   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Electricity                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Generation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transmission & Reticulation                                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Street Lighting   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Water  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Dams & Reservoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Water purification  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Reticulation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Sanitation                                       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Reticulation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sewerage purification   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Other  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Management  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transportation  | 2   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Gas   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Community</b>  |     | 10 908          | 6 098           | 9 925           | 11 251               | 11 251          | 11 251             | 2 500   | 2 500                  | 2 500                  |
| Parks & gardens   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sportsfields & stadia   |     | 5 408           | 2 323           |                 | 6 000                | 6 000           | 6 000              | 2 500   | 2 500                  | 2 500                  |
| Swimming pools  |     | 1 500           |                 | 7 875           |                      |                 |                    |   |                        |                        |
| Community halls   |     | 1 500           | 3 221           | 1 525           | 2 500                | 2 500           | 2 500              |   |                        |                        |
| Libraries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Recreational facilities   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Fire, safety & emergency  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Security and policing   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Buses   | 7   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Clinics   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Museums & Art Galleries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cemeteries  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Social rental housing   | 8   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     | 2 500           | 554             | 525             | 2 751                | 2 751           | 2 751              |   |                        |                        |
| <b>Heritage assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Buildings   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   | 9   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Investment properties</b>                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing development   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other assets</b>   |     | 130             | 2 080           | 3 720           | 10 530               | 1 810           | 1 810              | 2 450   | 1 600                  | 1 600                  |
| General vehicles  |     |                 |                 |                 | 8 860                | 1 450           | 1 450              | 1 000   | 1 000                  | 1 000                  |
| Specialised vehicles  |     | -               | -               | -               | 1 500                | -               | -                  | -   | -                      | -                      |
| Plant & equipment   |     |                 | 1 901           | 2 200           | -                    |                 |                    | 400   |                        |                        |
| Computers - hardware/equipment                                    |     | 100             | 127             |                 |                      |                 |                    | 850   | 400                    | 400                    |
| Furniture and other office equipment                              |     | 30              | 53              | 20              | -                    |                 |                    | 200   | 200                    | 200                    |
| Abattoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Markets   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Civic Land and Buildings  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Buildings   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Land  |     |                 |                 | 1 500           |                      |                 |                    |   |                        |                        |
| Surplus Assets - (Investment or Inventory)                        |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 | 170                  | 360             | 360                |   |                        |                        |
| <b>Agricultural assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Biological assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Intangibles</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Computers - software & programming                                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other (list sub-class)  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Capital Expenditure on new assets</b>                    | 1   | 12 038          | 13 445          | 19 846          | 26 781               | 18 061          | 18 061             | 19 301  | 18 962                 | 19 729                 |

**Table 36 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

KZN226 Mkhambathini - Supporting Table SA34a Capital expenditure on new assets by asset class

| Description   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Capital expenditure on new assets by Asset Class/Sub-class</b> |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Infrastructure</b>   |     | 1 000           | 5 266           | 6 201           | 5 000                | 5 000           | 5 000              | 14 351  | 14 862                 | 15 629                 |
| Infrastructure - Road transport                                   |     | 1 000           | 5 266           | 6 201           | 5 000                | 5 000           | 5 000              | 14 351  | 14 862                 | 15 629                 |
| Roads, Pavements & Bridges  |     | 1 000           | 5 266           | 6 201           | 5 000                | 5 000           | 5 000              | 14 351  | 14 862                 | 15 629                 |
| Storm water   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Electricity                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Generation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transmission & Reticulation                                       |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Street Lighting   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Water  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Dams & Reservoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Water purification  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Reticulation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Sanitation                                       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Reticulation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sewerage purification   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Other  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Management  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transportation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Gas   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Community</b>  |     | 10 908          | 6 098           | 9 925           | 11 251               | 11 251          | 11 251             | 2 500   | 2 500                  | 2 500                  |
| Parks & gardens   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sportsfields & stadia   |     | 5 408           | 2 323           |                 | 6 000                | 6 000           | 6 000              | 2 500   | 2 500                  | 2 500                  |
| Swimming pools  |     | 1 500           |                 | 7 875           |                      |                 |                    |   |                        |                        |
| Community halls   |     | 1 500           | 3 221           | 1 525           | 2 500                | 2 500           | 2 500              |   |                        |                        |
| Libraries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Recreational facilities   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Fire, safety & emergency  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Security and policing   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Buses   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Clinics   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Museums & Art Galleries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cemeteries  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Social rental housing   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     | 2 500           | 554             | 525             | 2 751                | 2 751           | 2 751              |   |                        |                        |
| <b>Heritage assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Buildings   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Investment properties</b>                                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing development   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other assets</b>   |     | 130             | 2 080           | 3 720           | 10 530               | 1 810           | 1 810              | 2 450   | 1 600                  | 1 600                  |
| General vehicles  |     |                 |                 |                 | 8 860                | 1 450           | 1 450              | 1 000   | 1 000                  | 1 000                  |
| Specialised vehicles  |     |                 |                 |                 | 1 500                | -               | -                  | -   | -                      | -                      |
| Plant & equipment   |     |                 | 1 901           | 2 200           |                      |                 |                    | 400   | -                      | -                      |
| Computers - hardware/equipment                                    |     | 100             | 127             |                 |                      |                 |                    | 850   | 400                    | 400                    |
| Furniture and other office equipment                              |     | 30              | 53              | 20              |                      |                 |                    | 200   | 200                    | 200                    |
| Abattoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Markets   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Civic Land and Buildings  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Buildings   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other Land  |     |                 |                 | 1 500           |                      |                 |                    |   |                        |                        |
| Surplus Assets - (Investment or Inventory)                        |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 | 170                  | 360             | 360                |   |                        |                        |
| <b>Agricultural assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Biological assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Intangibles</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Computers - software & programming                                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other (list sub-class)  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Capital Expenditure on new assets</b>                    | 1   | 12 038          | 13 445          | 19 846          | 26 781               | 18 061          | 18 061             | 19 301  | 18 962                 | 19 729                 |



**Table 37 MBRR SA34c - Repairs and maintenance expenditure by asset class**

| Description   | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|---|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|   |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand  | 1   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Repairs and maintenance expenditure by Asset Class/Sub-class</b> |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Infrastructure</b>   |     | 300             | 480             | 1 060           | 150                  | 150             | 150                | 2 800   | 2 800                  | 1 600                  |
| Infrastructure - Road transport                                     |     | 300             | 480             | 1 060           | 150                  | 150             | 150                | 2 800   | 2 800                  | 1 600                  |
| Roads, Pavements & Bridges  |     | 300             | 480             | 1 060           | 150                  | 150             | 150                | 2 800   | 2 800                  | 1 600                  |
| Storm water   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Electricity  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Generation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transmission & Reticulation   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Street Lighting   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Water  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Dams & Reservoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Water purification  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Reticulation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Sanitation   |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Reticulation  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sewerage purification   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Infrastructure - Other  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Waste Management  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Transportation  | 2   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Gas   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   | 3   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Community</b>  |     | -               | -               | 1 060           | 1 500                | 1 500           | 1 500              | 1 500   | 1 200                  | 800                    |
| Parks & gardens   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Sportsfields & stadia   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Swimming pools  |     |                 |                 |                 | 1 500                | 1 500           | 1 500              | 1 500   | 1 200                  | 800                    |
| Community halls   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Libraries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Recreational facilities   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Fire, safety & emergency  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Security and policing   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Buses   | 7   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Clinics   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Museums & Art Galleries   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Cemeteries  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Social rental housing   | 8   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 | 1 060           |                      |                 |                    |   |                        |                        |
| <b>Heritage assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Buildings   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   | 9   |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Investment properties</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Housing development   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Other assets</b>   |     | 320             | 85              | 339             | 570                  | 570             | 570                | 3 450   | 3 450                  | 4 000                  |
| General vehicles  |     |                 |                 |                 | 150                  | 150             | 150                | 600   | 600                    | 700                    |
| Specialised vehicles  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Plant & equipment   |     | 20              | 20              | 21              | 100                  | 100             | 100                | 500   | 500                    | 700                    |
| Computers - hardware/equipment                                      |     |                 |                 |                 |                      |                 |                    | 250   | 250                    | 500                    |
| Furniture and other office equipment                                |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Abattoirs   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Markets   |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Civic Land and Buildings  |     |                 |                 |                 |                      |                 |                    | 800   | 800                    | 800                    |
| Other Buildings   |     | 300             | 65              | 318             |                      |                 |                    |   |                        |                        |
| Other Land  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Surplus Assets - (Investment or Inventory)                          |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other   |     |                 |                 |                 | 320                  | 320             | 320                | 1 300   | 1 300                  | 1 300                  |
| <b>Agricultural assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Biological assets</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| List sub-class  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Intangibles</b>  |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Computers - software & programming                                  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| Other (list sub-class)  |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Total Repairs and Maintenance Expenditure</b>                    | 1   | 620             | 565             | 2 459           | 2 220                | 2 220           | 2 220              | 7 750   | 7 450                  | 6 400                  |

## 2.9 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 5 interns through this programme and a majority of them were appointed either in MKHAMBATHINI Municipality or other municipalities.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies  
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

## 2.10 Other supporting documents

**Table 40 MBRR Table SA1 - Supporting detail to budgeted financial performance**

KZN226 Mkhambathini - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

| Description                                  |  | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| R thousand                                   |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| REVENUE ITEMS:                               |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Property rates</u>                        |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 6  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Property Rates                         |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| less Revenue Foregone                        |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Property Rates                           |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 6  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Service charges - electricity revenue</u> |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - electricity revenue  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| less Revenue Foregone                        |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - electricity revenue    |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 6  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Service charges - water revenue</u>       |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - water revenue        |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| less Revenue Foregone                        |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - water revenue          |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 6  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Service charges - sanitation revenue</u>  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Service charges - sanitation revenue   |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| less Revenue Foregone                        |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - sanitation revenue     |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 6  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Service charges - refuse revenue</u>      |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total refuse removal revenue                 |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total landfill revenue                       |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| less Revenue Foregone                        |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Net Service charges - refuse revenue         |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 6  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Other Revenue by source</u>               |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| List other revenue by source                 |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Clearance Certificate                        |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Tender Proposal                              |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Commission Received                          |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Building plans                               |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other Revenue                                |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Hall hire                                    |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Library fees                                 |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Social Welfare                               |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Application fee (Planning)                   |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Subscription library                         |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Decrease in provision for bad debts          |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 3  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total 'Other' Revenue                        |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 1  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| EXPENDITURE ITEMS:                           |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Employee related costs</u>                |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 2  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Basic Salaries and Wages                     |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Pension and UIF Contributions                |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Medical Aid Contributions                    |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Overtime                                     |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Performance Bonus                            |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Motor Vehicle Allowance                      |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Cellphone Allowance                          |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Housing Allowances                           |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other benefits and allowances                |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Payments in lieu of leave                    |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Long service awards                          |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Post-retirement benefit obligations          |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 4  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| sub-total                                    |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 5  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Less: Employees costs capitalised to PPE     |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Total Employee related costs                 |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| 1  |  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |

Table 39 MBRR Table SA1 - Supporting detail to budgeted financial performance  
(Continued)

|  |       |        |        |        |        |        |        |        |        |        |
|--|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Contributions recognised - capital</b>      |       |        |        |        |        |        |        |        |        |        |
| <i>List contributions by contract</i>          |       |        |        |        |        |        |        |        |        |        |
| Total Contributions recognised - capital       | -     | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Depreciation &amp; asset impairment</b>     |       |        |        |        |        |        |        |        |        |        |
| Depreciation of Property, Plant & Equipment    | 4 792 | 3 085  | 2 237  | 2 542  | 4 542  | 4 542  | 4 542  | 4 700  | 4 850  | 5 000  |
| Lease amortisation                             |       | 31     |        |        |        |        |        |        |        |        |
| Capital asset impairment                       |       |        |        |        |        |        |        |        |        |        |
| Depreciation resulting from revaluation of PPE |       |        |        |        |        |        |        |        |        |        |
| Total Depreciation & asset impairment          | 4 792 | 3 116  | 2 237  | 2 542  | 4 542  | 4 542  | 4 542  | 4 700  | 4 850  | 5 000  |
| <b>Bulk purchases</b>                          |       |        |        |        |        |        |        |        |        |        |
| Electricity Bulk Purchases                     |       |        |        |        |        |        |        |        |        |        |
| Water Bulk Purchases                           |       |        |        |        |        |        |        |        |        |        |
| Total bulk purchases                           | -     | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Transfers and grants</b>                    |       |        |        |        |        |        |        |        |        |        |
| Cash transfers and grants                      | 8 386 | 6 196  | -      | 4 738  | -      | -      | -      | -      | -      | -      |
| Non-cash transfers and grants                  | -     | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Total transfers and grants                     | 8 386 | 6 196  | -      | 4 738  | -      | -      | -      | -      | -      | -      |
| <b>Contracted services</b>                     |       |        |        |        |        |        |        |        |        |        |
| <i>List services provided by contract</i>      |       |        |        |        |        |        |        |        |        |        |
|  | 42    | 286    | 70     | 300    | 300    | 300    | 300    |        |        |        |
| <b>sub-total</b>                               | 42    | 286    | 70     | 300    | 300    | 300    | 300    | -      | -      | -      |
| Allocations to organs of state:                |       |        |        |        |        |        |        |        |        |        |
| Electricity                                    |       |        |        |        |        |        |        |        |        |        |
| Water  |       |        |        |        |        |        |        |        |        |        |
| Sanitation                                     |       |        |        |        |        |        |        |        |        |        |
| Other  |       |        |        |        |        |        |        |        |        |        |
| Total contracted services                      | 42    | 286    | 70     | 300    | 300    | 300    | 300    | -      | -      | -      |
| <b>Other Expenditure By Type</b>               |       |        |        |        |        |        |        |        |        |        |
| Collection costs                               |       | 174    |        |        |        |        |        |        |        |        |
| Contributions to 'other' provisions            |       |        |        |        | 800    | 800    | 800    | 800    | 800    | 800    |
| Consultant fees                                |       |        |        |        | 2 220  | 2 220  | 2 220  | 1 000  | 1 000  | 500    |
| Audit fees                                     | 864   | 1 438  | 954    | 1 700  | 1 700  | 1 700  | 1 700  | 1 400  | 1 484  | 1 400  |
| General expenses                               | 3 397 | 5 567  | 8 540  | 4 306  | 22 443 | 17 955 | 17 955 | 41 360 | 37 676 | 34 787 |
| <b>Job Creation</b>                            | 697   | 1 041  | 2 507  |        | 5 500  | 5 500  | 5 500  | 2 415  | 5 800  | 5 900  |
|  |       |        | 1 500  | 1 800  |        |        |        |        |        |        |
|  | 512   | 688    | 318    | 318    |        |        |        |        |        |        |
|  | 302   | 500    | 530    | 530    |        |        |        |        |        |        |
|  | 519   | 489    | 530    | 600    |        |        |        |        |        |        |
|  |       |        | -      | 743    |        |        |        |        |        |        |
|  |       |        | -      | 1 132  |        |        |        |        |        |        |
|  |       |        | -      | 500    |        |        |        |        |        |        |
|  |       |        | -      | 700    |        |        |        |        |        |        |
|  |       |        | 318    | 750    |        |        |        |        |        |        |
|  | 275   | 311    | 371    | 200    |        |        |        |        |        |        |
|  |       |        | 900    | 934    |        |        |        |        |        |        |
|  |       |        | 890    | 840    |        |        |        |        |        |        |
|  |       |        | 530    | 318    |        |        |        |        |        |        |
|  |       |        | 424    | 0      |        |        |        |        |        |        |
|  |       |        | -      | 140    |        |        |        |        |        |        |
|  |       |        | 212    | 300    |        |        |        |        |        |        |
|  |       | -      | 212    | 42     |        |        |        |        |        |        |
|  |       |        | 742    | 200    |        |        |        |        |        |        |
|  |       |        | -      | 200    |        |        |        |        |        |        |
|  | 179   | 306    | 191    | 265    |        |        |        |        |        |        |
| Total 'Other' Expenditure                      | 6 746 | 10 513 | 19 669 | 16 517 | 32 663 | 28 175 | 28 175 | 46 975 | 46 760 | 43 387 |

**Table 39 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

KZN226 Mkhambathini - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

| Description  | Ref | Vote 1 -<br>Executive<br>and Council | Vote 2 -<br>Municipal<br>Manager | Vote 3 -<br>Budget and<br>Treasury<br>Office | Vote 4 -<br>Corporate<br>Services | Vote 5 -<br>Community<br>Services | Vote 6 -<br>Library | Vote 7 -<br>Vehicle<br>Registration<br>and Testing | Vote 8 -<br>Solid Waste | Vote 9 -<br>Technical<br>Services | Vote 10 -<br>Technical<br>Services | Vote 11 -<br>[NAME OF<br>VOTE 11] | Vote 12 -<br>[NAME OF<br>VOTE 12] | Vote 13 -<br>[NAME OF<br>VOTE 13] | Vote 14 -<br>[NAME OF<br>VOTE 14] | Vote 15 -<br>[NAME OF<br>VOTE 15] | Total  |
|--|-----|--------------------------------------|----------------------------------|--|-----------------------------------|-----------------------------------|---------------------|--|-------------------------|-----------------------------------|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--------|
| R thousand   | 1   |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   |        |
| <b>Revenue By Source</b>   |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   |        |
| Property rates   |     |                                      |                                  | 11 454                                       |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | 11 454 |
| Property rates - penalties & collection charges                      |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Service charges - electricity revenue                                |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Service charges - water revenue                                      |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Service charges - sanitation revenue                                 |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Service charges - refuse revenue                                     |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Service charges - other  |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Rental of facilities and equipment                                   |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Interest earned - external investments                               |     |                                      |                                  | 800  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | 800    |
| Interest earned - outstanding debtors                                |     |                                      |                                  | 1 272  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | 1 272  |
| Dividends received   |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Fines  |     |                                      |                                  | 41   |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | 41     |
| Licences and permits   |     |                                      |                                  |  |                                   |                                   |                     | 4 873  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | 4 873  |
| Agency services  |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Other revenue  |     |                                      |                                  | 153  |                                   |                                   | 0                   |  |                         | 231                               |                                    |                                   |                                   |                                   |                                   |                                   | 384    |
| Transfers recognised - operational                                   |     |                                      | 1 058                            | 63 141                                       | 930                               |                                   | 744                 |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | 65 873 |
| Gains on disposal of PPE   |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     | -                                    | 1 058                            | 76 862                                       | 930                               | -                                 | 744                 | 4 873  | -                       | 231                               | -                                  | -                                 | -                                 | -                                 | -                                 | -                                 | 84 698 |
| <b>Expenditure By Type</b>   |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   |        |
| Employee related costs   |     | 1 629                                | 1 365                            | 3 275  | 5 915                             | 2 454                             | 926                 | 2 838  |                         | 4 575                             |                                    |                                   |                                   |                                   |                                   |                                   | 22 977 |
| Remuneration of councillors  |     | 5 200                                |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | 5 200  |
| Debt impairment  |     |                                      |                                  | 800  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | 800    |
| Depreciation & asset impairment                                      |     |                                      |                                  | 4 700  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | 4 700  |
| Finance charges  |     |                                      |                                  | 200  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | 200    |
| Bulk purchases   |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Other materials  |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Contracted services  |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Transfers and grants   |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Other expenditure  |     | 450                                  | 250                              | 11 382                                       | 7 180                             | 11 508                            | 110                 | 800  |                         | 18 070                            |                                    |                                   |                                   |                                   |                                   |                                   | 49 750 |
| Loss on disposal of PPE  |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| <b>Total Expenditure</b>   |     | 7 279                                | 1 615                            | 20 357                                       | 13 095                            | 13 962                            | 1 036               | 3 638  | -                       | 22 645                            | -                                  | -                                 | -                                 | -                                 | -                                 | -                                 | 83 627 |
| <b>Surplus/(Deficit)</b>   |     | (7 279)                              | (557)                            | 56 505                                       | (12 165)                          | (13 962)                          | (292)               | 1 235  | -                       | (22 414)                          | -                                  | -                                 | -                                 | -                                 | -                                 | -                                 | 1 071  |
| Transfers recognised - capital                                       |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   | 16 851                             |                                   |                                   |                                   |                                   |                                   | 16 851 |
| Contributions recognised - capital                                   |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| Contributed assets   |     |                                      |                                  |  |                                   |                                   |                     |  |                         |                                   |                                    |                                   |                                   |                                   |                                   |                                   | -      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |     | (7 279)                              | (557)                            | 56 505                                       | (12 165)                          | (13 962)                          | (292)               | 1 235  | -                       | (22 414)                          | 16 851                             | -                                 | -                                 | -                                 | -                                 | -                                 | 17 922 |

**Table 40 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

KZN226 Mkhambathini - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

| Description                                      | Ref | 2011/12         | 2012/13         | 2013/14         | Current Year 2014/15 |                 |                    |                   | 2015/16 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |     | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2015/16                                 | Budget Year +1 2016/17 | Budget Year +2 2017/18 |
| <b>R thousand</b>                                |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>ASSETS</b>                                    |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Call investment deposits</u>                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Call deposits < 90 days                          |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other current investments > 90 days              |     | 10 546          | 17 745          | 7 121           | 8 000                | 8 000           | 8 000              | 8 000             | 10 000  | 12 000                 | 15 000                 |
| <b>Total Call investment deposits</b>            | 2   | 10 546          | 17 745          | 7 121           | 8 000                | 8 000           | 8 000              | 8 000             | 10 000  | 12 000                 | 15 000                 |
| <u>Consumer debtors</u>                          |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Consumer debtors                                 |     | 1 713           | 2 895           | 1 938           | 7 100                | 7 100           | 7 100              | 7 100             | 6 500   | 5 500                  | 4 500                  |
| <u>Less: Provision for debt impairment</u>       |     |                 |                 |                 | (3 000)              | (3 000)         | (3 000)            | (3 000)           | (3 000)   | (2 000)                | (1 000)                |
| <b>Total Consumer debtors</b>                    | 2   | 1 713           | 2 895           | 1 938           | 4 100                | 4 100           | 4 100              | 4 100             | 3 500   | 3 500                  | 3 500                  |
| <u>Debt impairment provision</u>                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Balance at the beginning of the year             |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Contributions to the provision                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Bad debts written off                            |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Balance at end of year</b>                    |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <u>Property, plant and equipment (PPE)</u>       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| PPE at cost/valuation (excl. finance leases)     |     | 61 026          | 75 561          | 97 105          | 96 648               | 96 648          | 96 648             | 96 648            | 112 648   | 127 648                | 142 000                |
| Leases recognised as PPE                         | 3   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Less: Accumulated depreciation</u>            |     | 4 097           | 9 813           | 11 584          | 4 751                | 4 751           | 4 751              | 4 751             | 4 700   | 4 850                  | 5 000                  |
| <b>Total Property, plant and equipment (PPE)</b> | 2   | 56 928          | 65 748          | 85 521          | 91 897               | 91 897          | 91 897             | 91 897            | 107 948   | 122 798                | 137 000                |
| <b>LIABILITIES</b>                               |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Current liabilities - Borrowing</u>           |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Short term loans (other than bank overdraft)     |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Current portion of long-term liabilities         |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Current liabilities - Borrowing</b>     |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <u>Trade and other payables</u>                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Trade and other creditors                        |     | 2 125           | 2 890           | 427             | 3 000                | 3 000           | 3 000              | 3 000             | 3 000   | 3 000                  | 3 000                  |
| Unspent conditional transfers                    |     | 5 946           | 9 947           |                 |                      |                 |                    |                   |   |                        |                        |
| VAT  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Trade and other payables</b>            | 2   | 8 071           | 12 836          | 427             | 3 000                | 3 000           | 3 000              | 3 000             | 3 000   | 3 000                  | 3 000                  |
| <u>Non current liabilities - Borrowing</u>       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Borrowing  | 4   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Finance leases (including PPP asset element)     |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Non current liabilities - Borrowing</b> |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <u>Provisions - non-current</u>                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Retirement benefits                              |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| List other major provision items                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Refuse landfill site rehabilitation              |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Total Provisions - non-current</b>            |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>CHANGES IN NET ASSETS</b>                     |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Accumulated Surplus/(Deficit)</u>             |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Accumulated Surplus/(Deficit) - opening balance  |     | 28 559          | 33 719          | 35 809          | 66 705               | 66 705          | 66 705             | 66 705            | 105 346   | 123 267                | 141 011                |
| GRAP adjustments                                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Restated balance                                 |     | 28 559          | 33 719          | 35 809          | 66 705               | 66 705          | 66 705             | 66 705            | 105 346   | 123 267                | 141 011                |
| Surplus/(Deficit)                                |     | 10 356          | 15 629          | 18 034          | 35 324               | 19 275          | 26 641             | 26 641            | 17 921  | 17 744                 | 18 581                 |
| Appropriations to Reserves                       |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Transfers from Reserves                          |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Depreciation offsets                             |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Other adjustments                                |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Accumulated Surplus/(Deficit)</b>             | 1   | 38 915          | 49 348          | 53 843          | 102 030              | 85 980          | 93 346             | 93 346            | 123 267   | 141 011                | 159 592                |
| <u>Reserves</u>                                  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Housing Development Fund                         |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Capital replacement                              |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Self-insurance                                   |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <u>Other reserves</u>                            |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Revaluation                                      |     | 14 987          | 14 330          | 19 246          | 12 000               | 12 000          | 12 000             | 12 000            | 11 000  | 10 000                 | 9 000                  |
| <b>Total Reserves</b>                            | 2   | 14 987          | 14 330          | 19 246          | 12 000               | 12 000          | 12 000             | 12 000            | 11 000  | 10 000                 | 9 000                  |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>             | 2   | 53 902          | 63 678          | 73 089          | 114 030              | 97 980          | 105 346            | 105 346           | 134 267   | 151 011                | 168 592                |

**Table 41 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

| Description of economic indicator                   | Ref.  | Basis of calculation | 2001 Census | 2007 Survey | 2011 Census | 2011/12 | 2012/13 | 2013/14 | Current Year<br>2014/15 | 2015/16 Medium Term Revenue &<br>Expenditure Framework |         |         |
|---|-------|----------------------|-------------|-------------|-------------|---------|---------|---------|-------------------------|--|---------|---------|
|   |       |                      |             |             |             | Outcome | Outcome | Outcome | Original<br>Budget      | Outcome  | Outcome | Outcome |
| <b>Demographics</b>                                 |       |                      |             |             |             |         |         |         |                         |  |         |         |
| Population  |       |                      |             |             |             | 59      | 59      | 59      | 59                      | 59   | 59      | 59      |
| Females aged 5 - 14                                 |       |                      |             |             |             | 8       | 8       | 8       | 8                       | 8  | 8       | 8       |
| Males aged 5 - 14                                   |       |                      |             |             |             | 7       | 7       | 7       | 7                       | 7  | 7       | 7       |
| Females aged 15 - 34                                |       |                      |             |             |             | 11      | 11      | 11      | 11                      | 11   | 11      | 11      |
| Males aged 15 - 34                                  |       |                      |             |             |             | 10      | 10      | 10      | 10                      | 10   | 10      | 10      |
| Unemployment  |       |                      |             |             |             | 8       | 8       | 8       | 8                       | 8  | 8       | 8       |
| <b>Monthly household income (no. of households)</b> | 1, 12 |                      |             |             |             |         |         |         |                         |  |         |         |
| No income   |       |                      |             |             |             |         |         |         |                         |  |         |         |
| R1 - R1 600   |       |                      |             |             |             |         |         |         |                         |  |         |         |
| R1 601 - R3 200                                     |       |                      |             |             |             |         |         |         |                         |  |         |         |
| R3 201 - R6 400                                     |       |                      |             |             |             |         |         |         |                         |  |         |         |
| R6 401 - R12 800                                    |       |                      |             |             |             |         |         |         |                         |  |         |         |
| R12 801 - R25 600                                   |       |                      |             |             |             |         |         |         |                         |  |         |         |
| R25 601 - R51 200                                   |       |                      |             |             |             |         |         |         |                         |  |         |         |
| R52 201 - R102 400                                  |       |                      |             |             |             |         |         |         |                         |  |         |         |
| R102 401 - R204 800                                 |       |                      |             |             |             |         |         |         |                         |  |         |         |
| R204 801 - R409 600                                 |       |                      |             |             |             |         |         |         |                         |  |         |         |
| R409 601 - R819 200                                 |       |                      |             |             |             |         |         |         |                         |  |         |         |
| > R819 200  |       |                      |             |             |             |         |         |         |                         |  |         |         |
| <b>Poverty profiles (no. of households)</b>         |       |                      |             |             |             |         |         |         |                         |  |         |         |
| < R2 060 per household per month                    | 13    |                      |             |             |             |         |         |         |                         |  |         |         |
| Insert description                                  | 2     |                      |             |             |             |         |         |         |                         |  |         |         |
| <b>Household/demographics (000)</b>                 |       |                      |             |             |             |         |         |         |                         |  |         |         |
| Number of people in municipal area                  |       |                      |             |             |             | 59      | 59      | 59      | 59                      | 59   | 59      | 59      |
| Number of poor people in municipal area             |       |                      |             |             |             |         |         |         |                         |  |         |         |
| Number of households in municipal area              |       |                      |             |             |             |         |         |         |                         |  |         |         |
| Number of poor households in municipal area         |       |                      |             |             |             |         |         |         |                         |  |         |         |
| Definition of poor household (R per month)          |       |                      |             |             |             | 2 160   | 2 160   | 2 160   | 2 160                   | 2 160  | 2 160   | 2 160   |
| <b>Housing statistics</b>                           | 3     |                      |             |             |             |         |         |         |                         |  |         |         |
| Formal  |       |                      |             |             |             | 3 797   | 3 797   | 3 797   | 3 797                   | 3 797  | 3 797   | 3 797   |
| Informal  |       |                      |             |             |             | 481     | 481     | 481     | 481                     | 481  | 481     | 481     |
| Total number of households                          |       |                      | -           | -           | -           | 4 278   | 4 278   | 4 278   | 4 278                   | 4 278  | 4 278   | 4 278   |
| Dwellings provided by municipality                  | 4     |                      |             |             |             |         |         |         |                         |  |         |         |
| Dwellings provided by province/s                    |       |                      |             |             |             |         |         |         |                         |  |         |         |
| Dwellings provided by private sector                | 5     |                      |             |             |             |         |         |         |                         |  |         |         |
| Total new housing dwellings                         |       |                      | -           | -           | -           | -       | -       | -       | -                       | -  | -       | -       |
| <b>Economic</b>                                     | 6     |                      |             |             |             |         |         |         |                         |  |         |         |
| Inflation/inflation outlook (CPIX)                  |       |                      |             |             |             | 5.4%    | 5.4%    | 5.4%    | 5.4%                    | 5.4%   | 5.4%    | 5.4%    |
| Interest rate - borrowing                           |       |                      |             |             |             | 8.0%    | 8.0%    | 8.0%    | 8.0%                    | 8.0%   | 8.0%    | 8.0%    |
| Interest rate - investment                          |       |                      |             |             |             | 7.0%    | 7.0%    | 7.0%    | 7.0%                    | 7.0%   | 7.0%    | 7.0%    |
| Remuneration increases                              |       |                      |             |             |             |         |         |         |                         |  |         |         |
| Consumption growth (electricity)                    |       |                      |             |             |             |         |         |         |                         |  |         |         |
| Consumption growth (water)                          |       |                      |             |             |             |         |         |         |                         |  |         |         |
| <b>Collection rates</b>                             | 7     |                      |             |             |             |         |         |         |                         |  |         |         |
| Property tax/service charges                        |       |                      |             |             |             | 67.0%   | 80.0%   | 85.0%   | 60.0%                   | 65.0%  | 70.0%   | 75.0%   |
| Rental of facilities & equipment                    |       |                      |             |             |             | 8.0%    | 8.0%    | 8.0%    | 8.0%                    | 8.0%   | 8.0%    | 8.0%    |
| Interest - external investments                     |       |                      |             |             |             | 6.0%    | 6.0%    | 6.0%    | 6.0%                    | 6.0%   | 6.0%    | 6.0%    |
| Interest - debtors                                  |       |                      |             |             |             |         |         |         |                         |  |         |         |
| Revenue from agency services                        |       |                      |             |             |             |         |         |         |                         |  |         |         |

**MUNICIPAL NOTICE NO. .... /2015**

**AMENDMENT TO TARIFFS: 2015/2016 FINANCIAL YEAR**

Notice is hereby given in terms of Section 75A(3)(b) of the Local Government: Municipal Systems Act (Act 32 of 2000), that MKHAMBATHINI Municipal Council by Resolution taken on 29 May 2015 resolved to amend the following tariffs as indicated:

The date on which this notice was first displayed on the municipal notice board is 1 June 2015

These tariffs will come into operation on 1 July 2015.

M Chandulal

Acting Municipal Manager

MKHAMBATHINI Municipality

Private Bag X04

**CAMPERDOWN**

3720



**MUNICIPAL NOTICE NO: .../ 2015**

**ASSESSMENT OF GENERAL RATES FOR 2015/ 2016**

Notice is hereby given in terms of Section 14 of the Local Government: Municipal Property Rates Act No 6 of 2004, that by Resolution taken on 29 May 2015 the Council of MKHAMBATHINI Municipality has resolved to determine the rates payable on all ratable property within the area of MKHAMBATHINI Municipality for the financial year 1 July 2015 to 30 June 2016

All rebates and exemptions are contained in the Rates Policy and may in certain instances be applied to the rate as assessed above.

General:

1. Rates will be payable monthly in eleven (11) equal installments with the first installment payable on 31 August 2015 and the last installment payable on the 30 June 2016.
2. The date on which the determination of rates came into operation is 01 July 2015.
3. Any rates remaining unpaid for a period longer than 3 months will be subject to legal action to be instituted to recover the arrear amount.
4. Any rates that are not paid on the due date will be subject to interest at the rate of 1% per month or part thereof.
5. The date on which the notice was first displayed on the Municipal Notice Board is 01 June 2016.
6. This notice is also available on MKHAMBATHINI Municipality's website [www.MKHAMBATHINI.gov.za](http://www.MKHAMBATHINI.gov.za)

M Chandulal

Acting Municipal Manager

MKHAMBATHINI Municipality

Private Bag X04

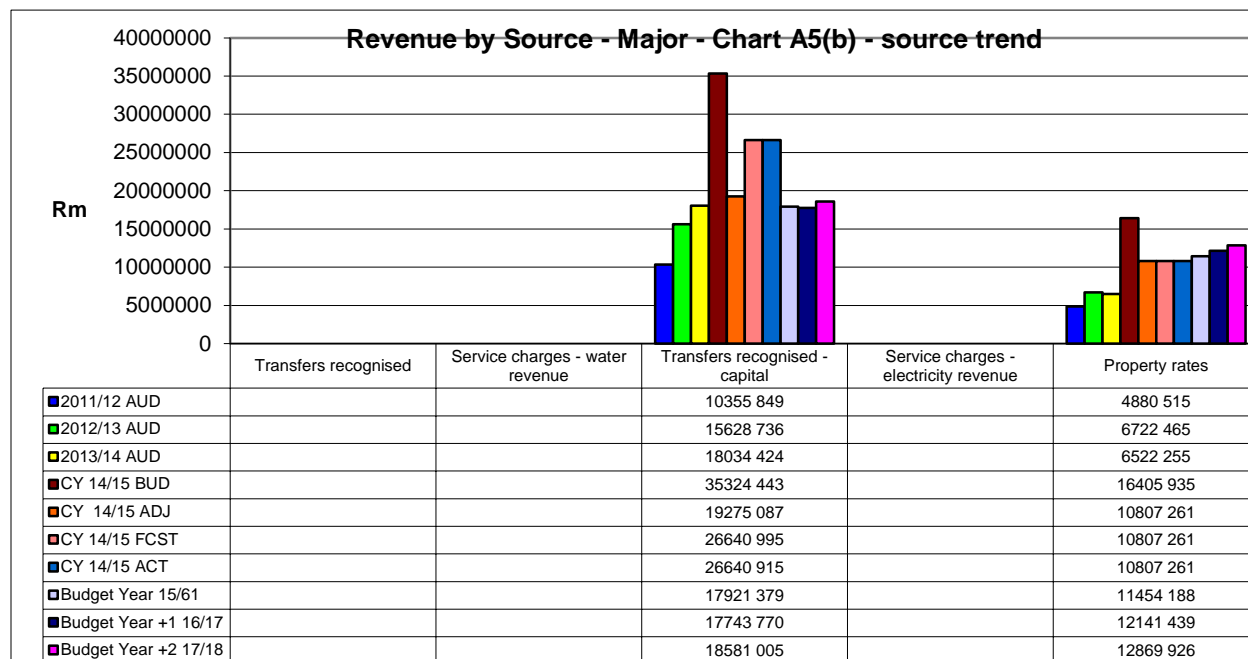
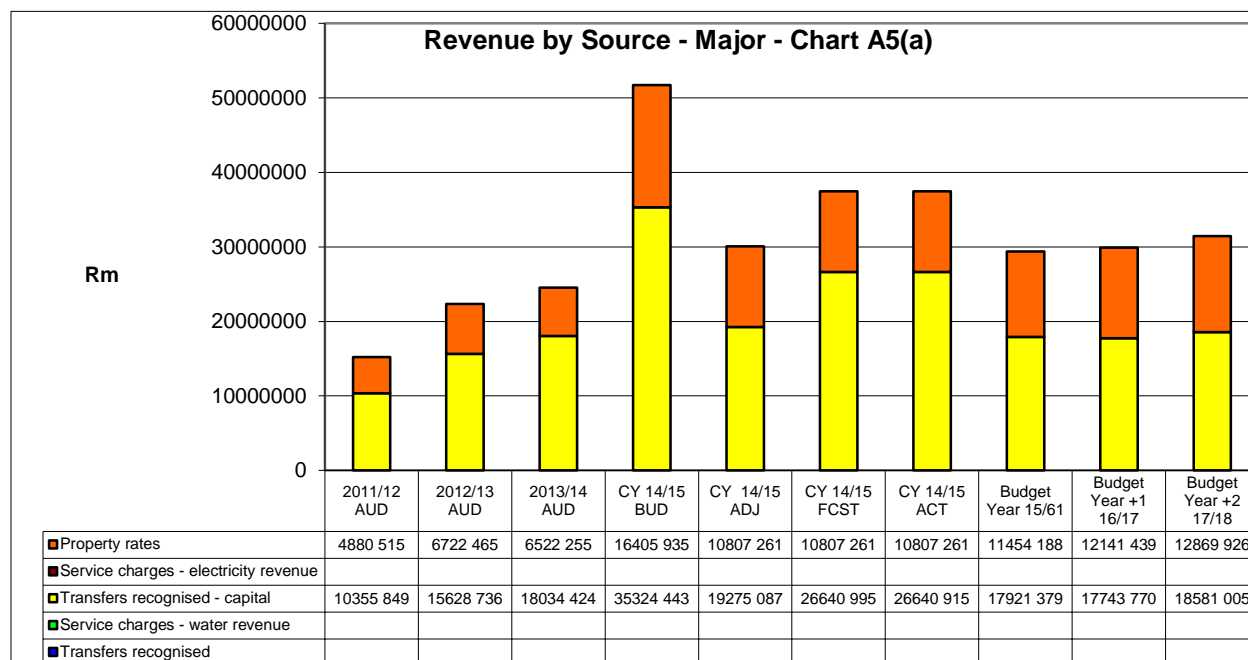
**CAMPERDOWN**

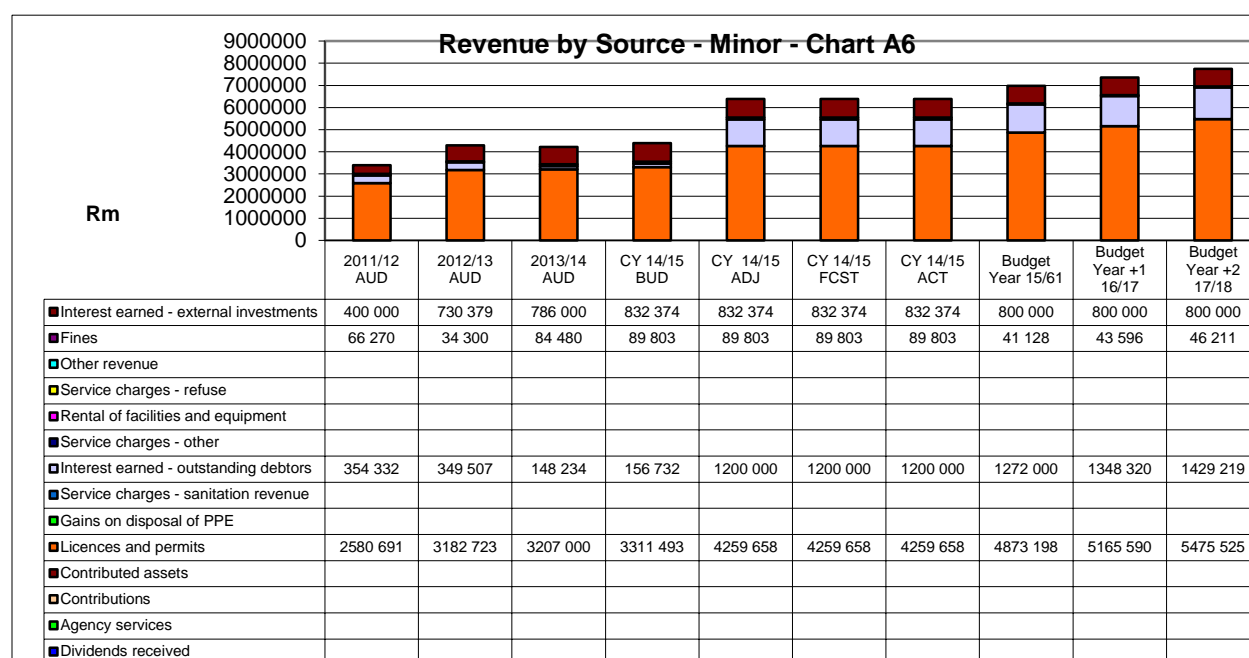
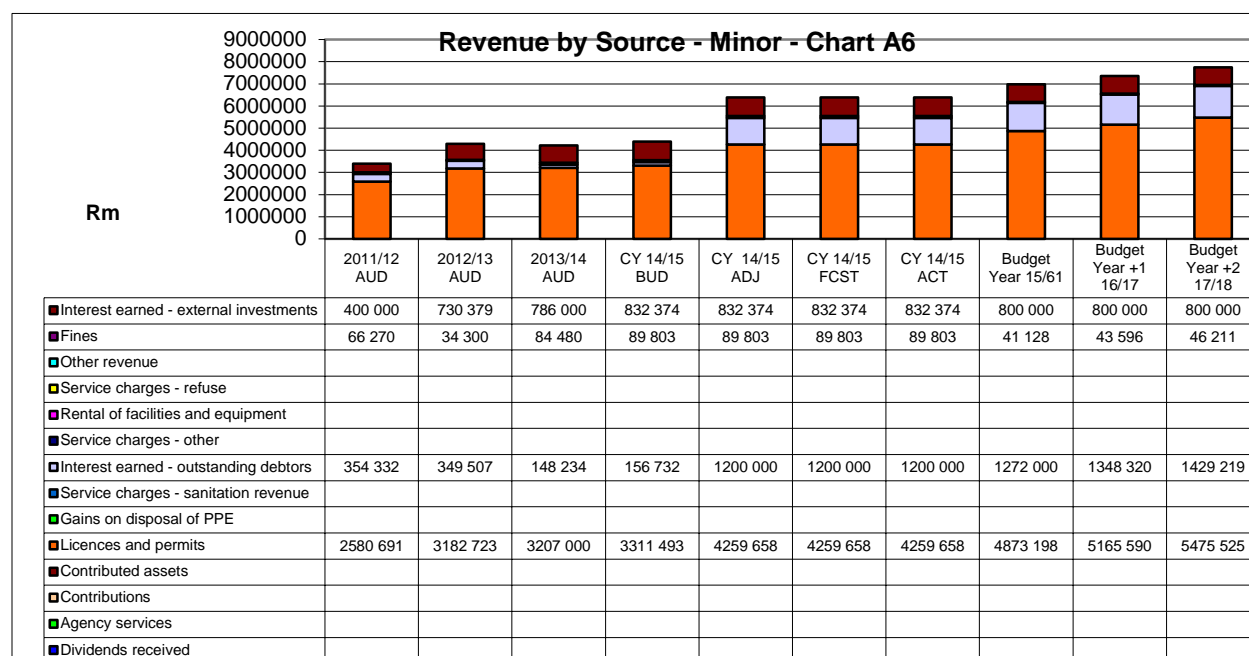
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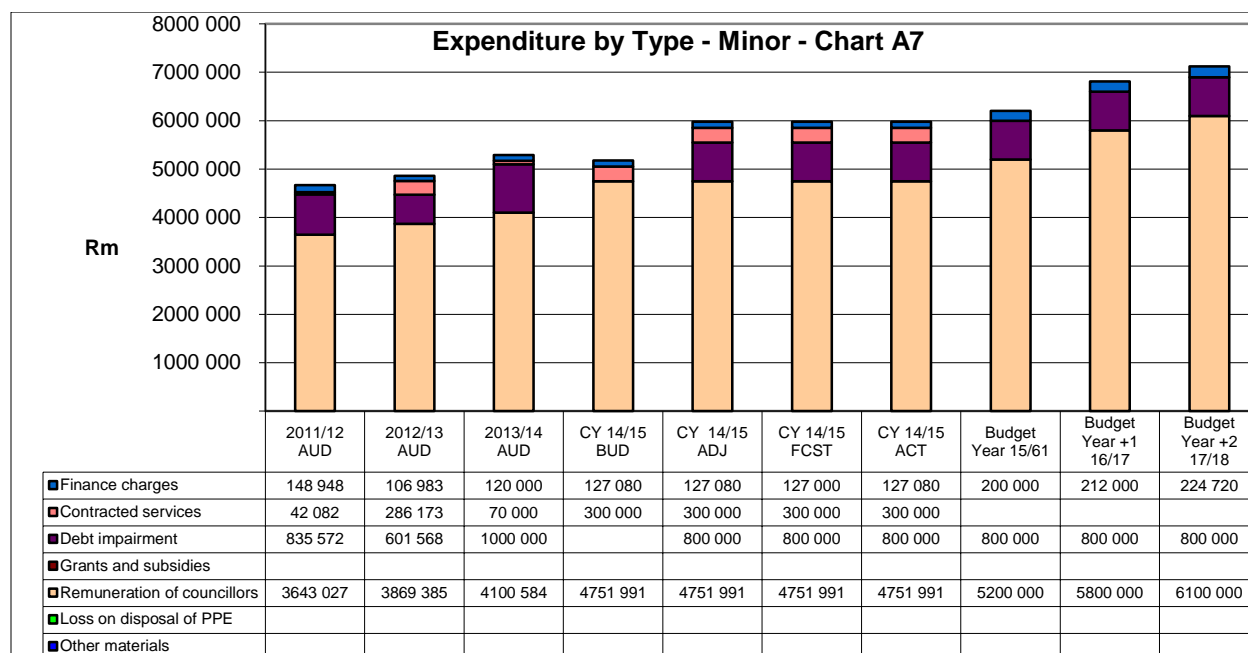
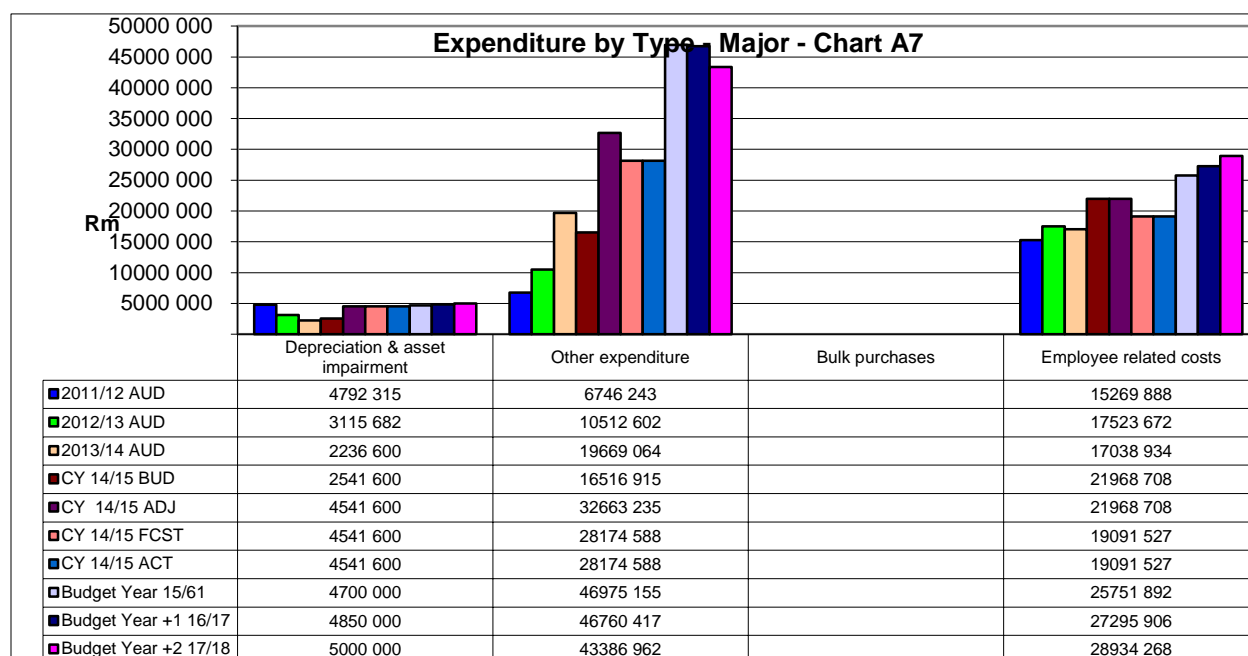
## **2.11 Municipal manager's quality certificate**

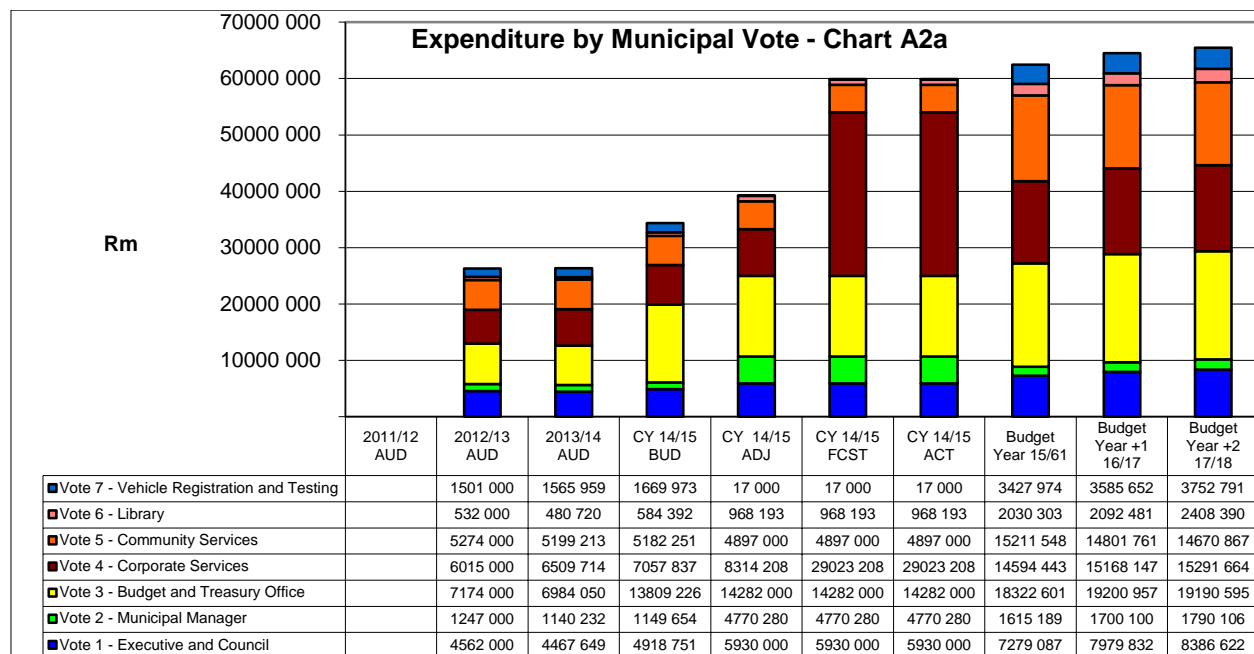
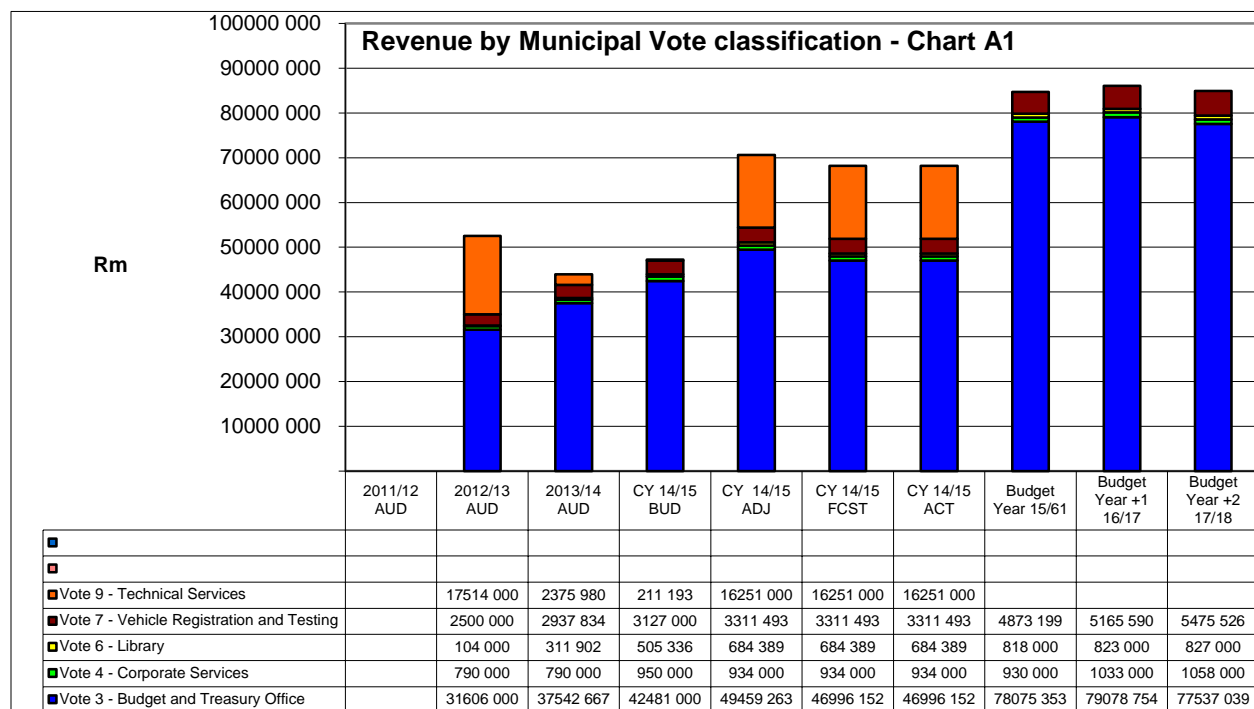
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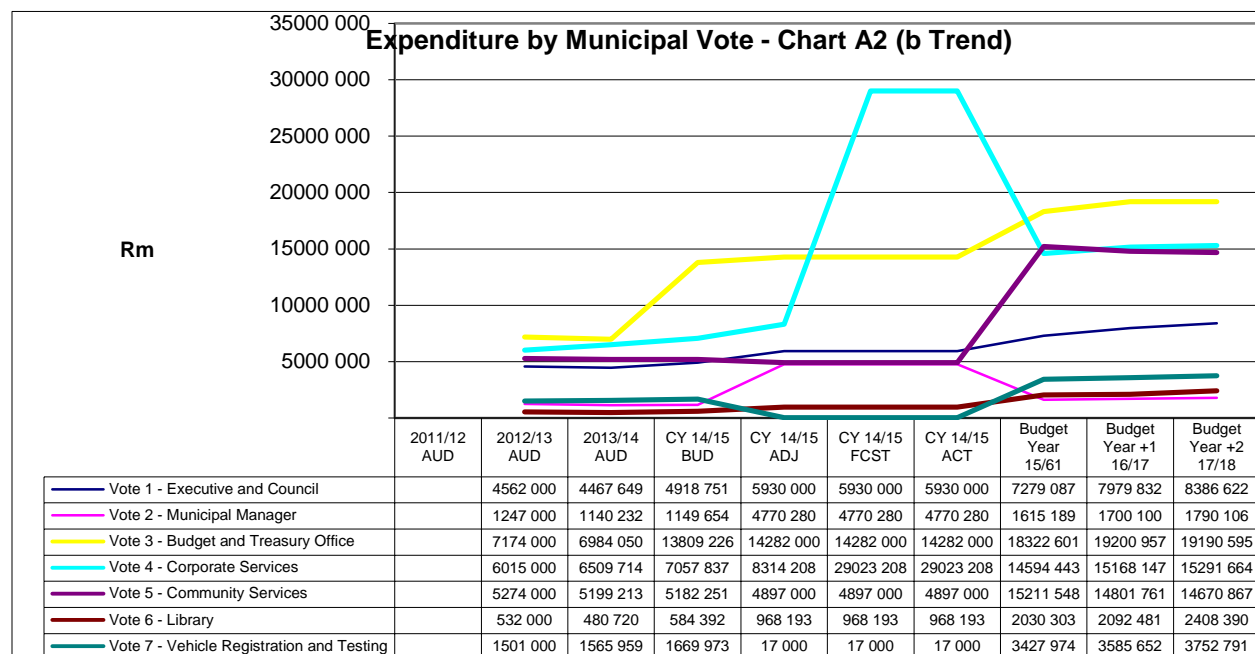
## CHARTS FROM SCHEDULE A2

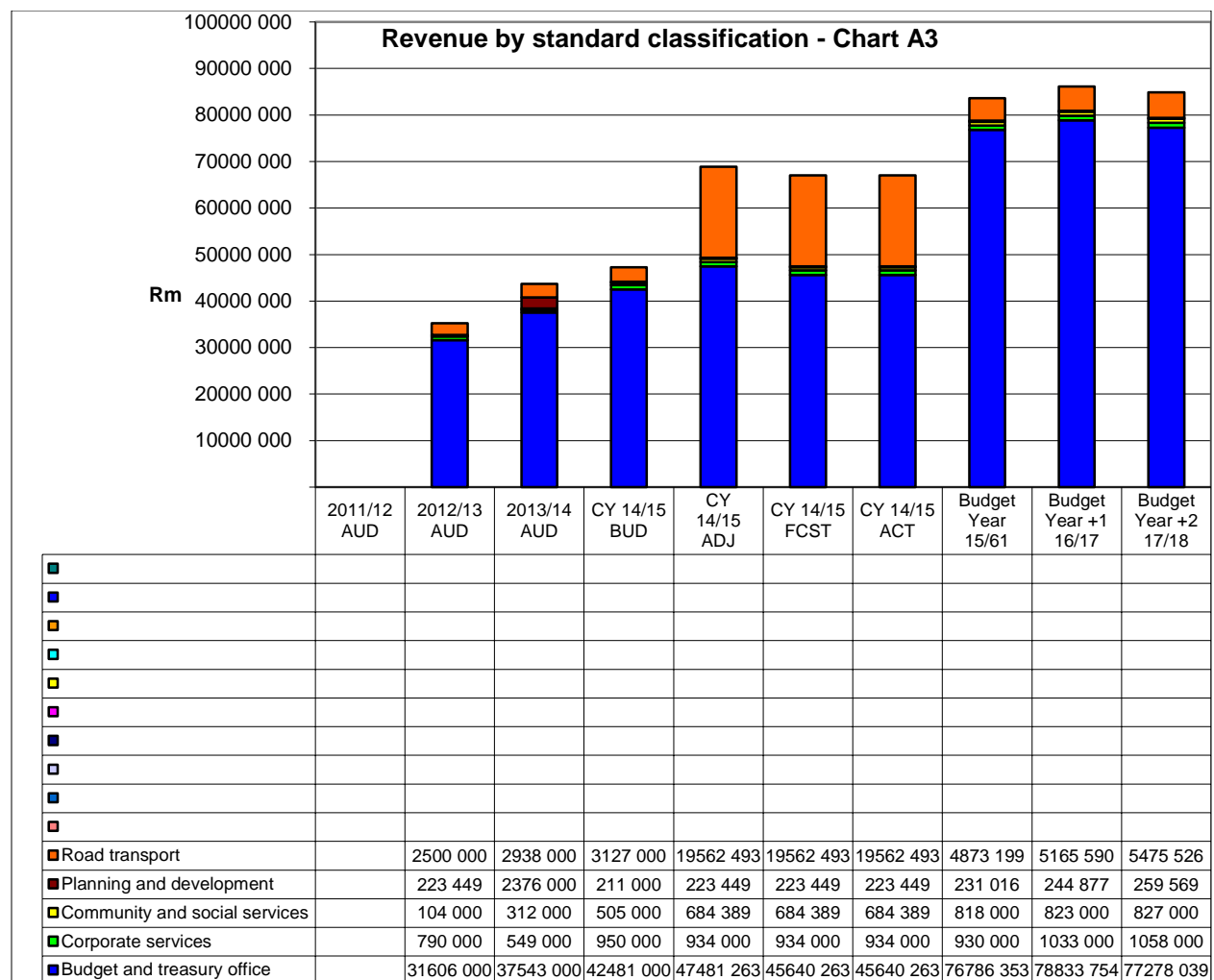




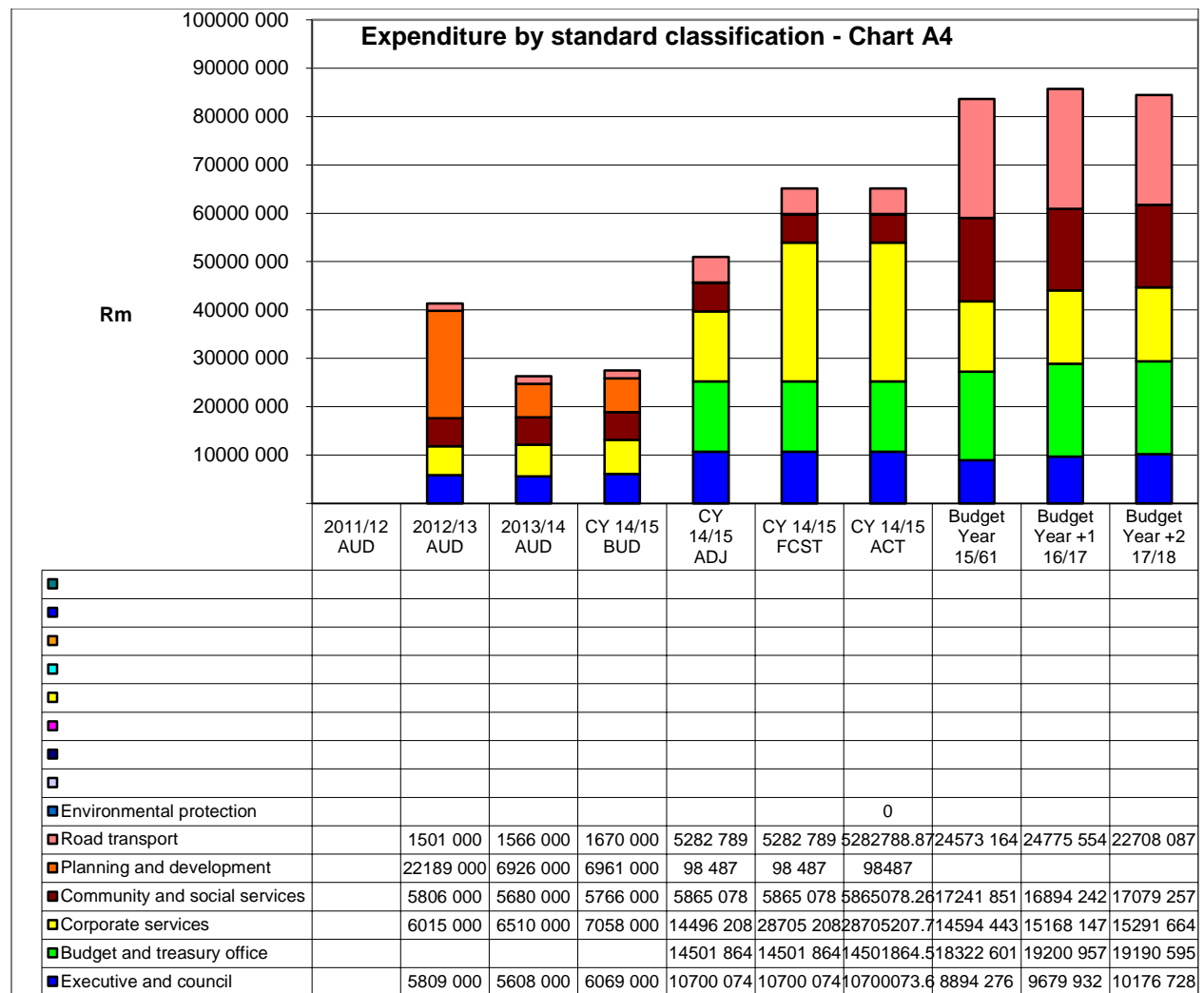


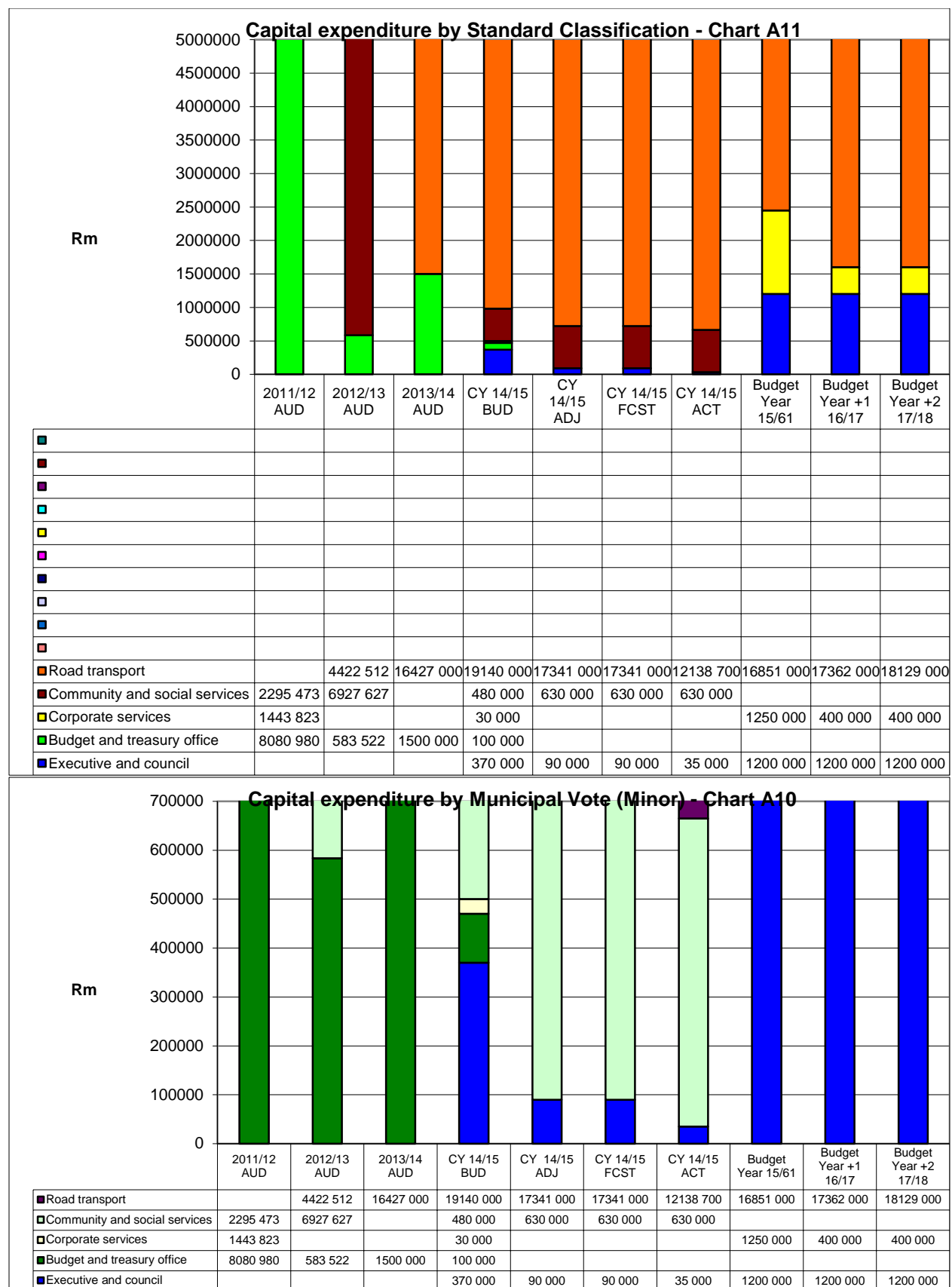


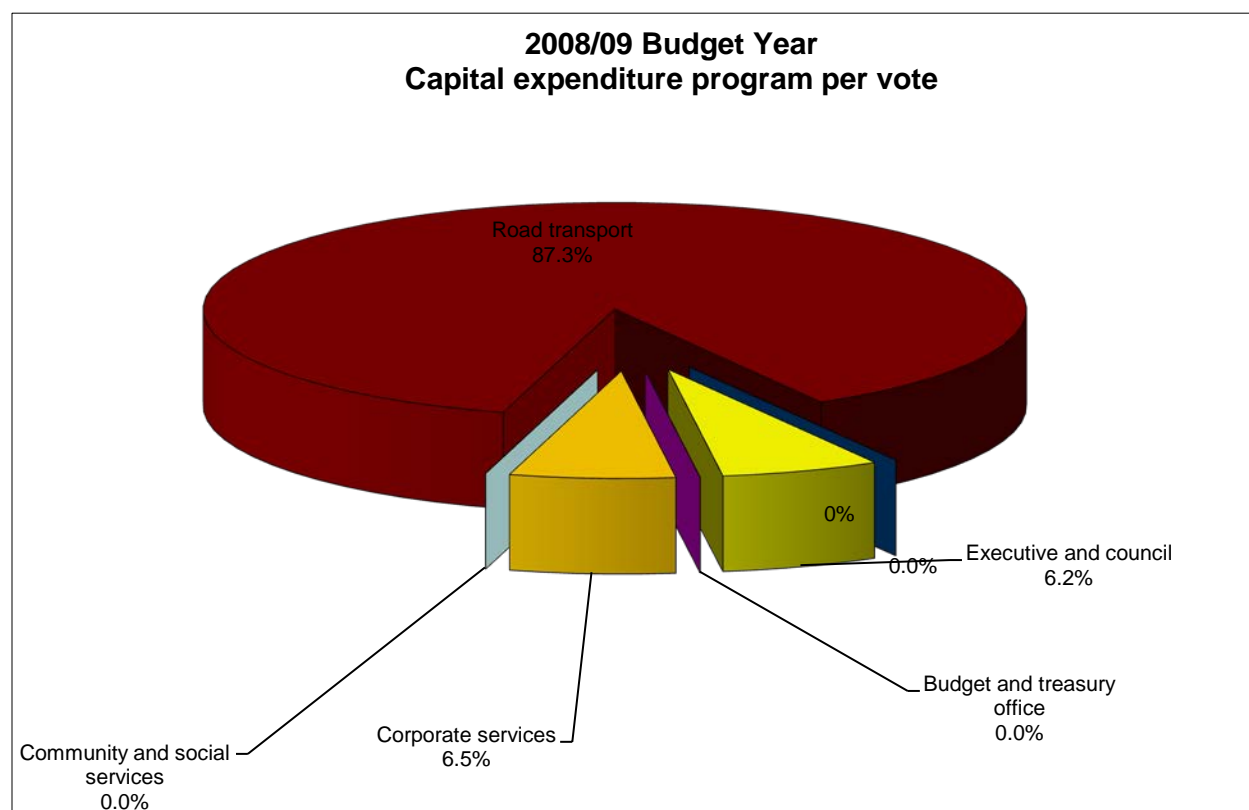
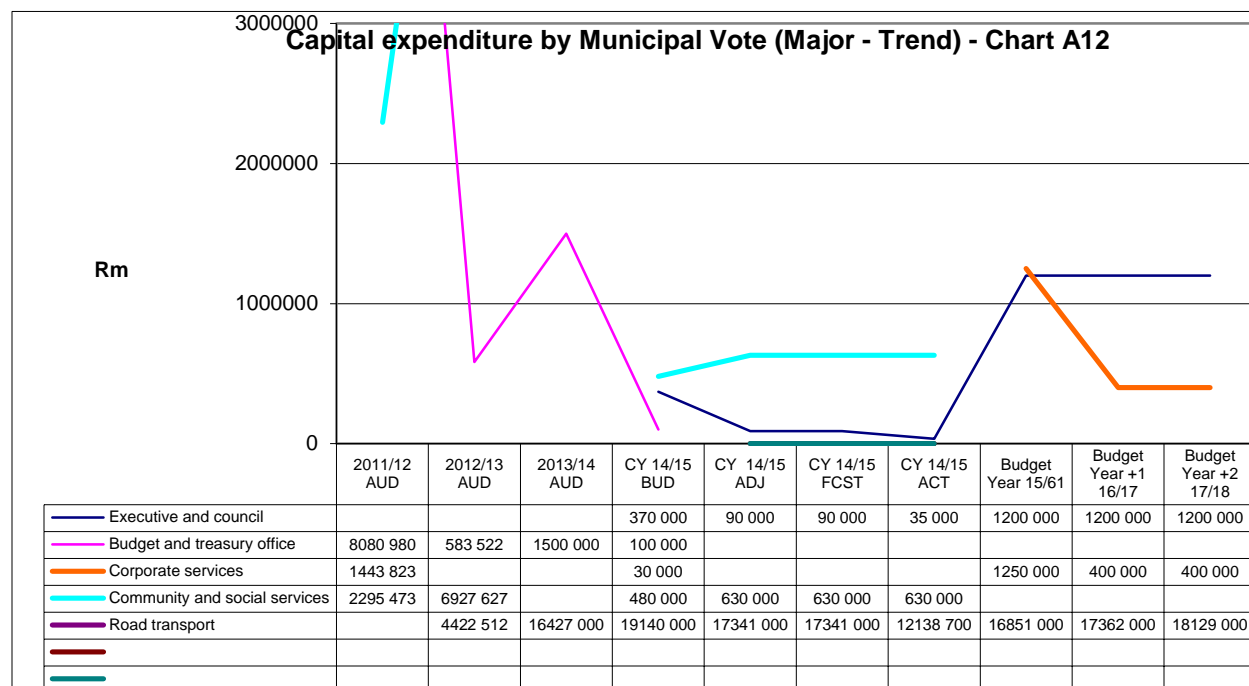


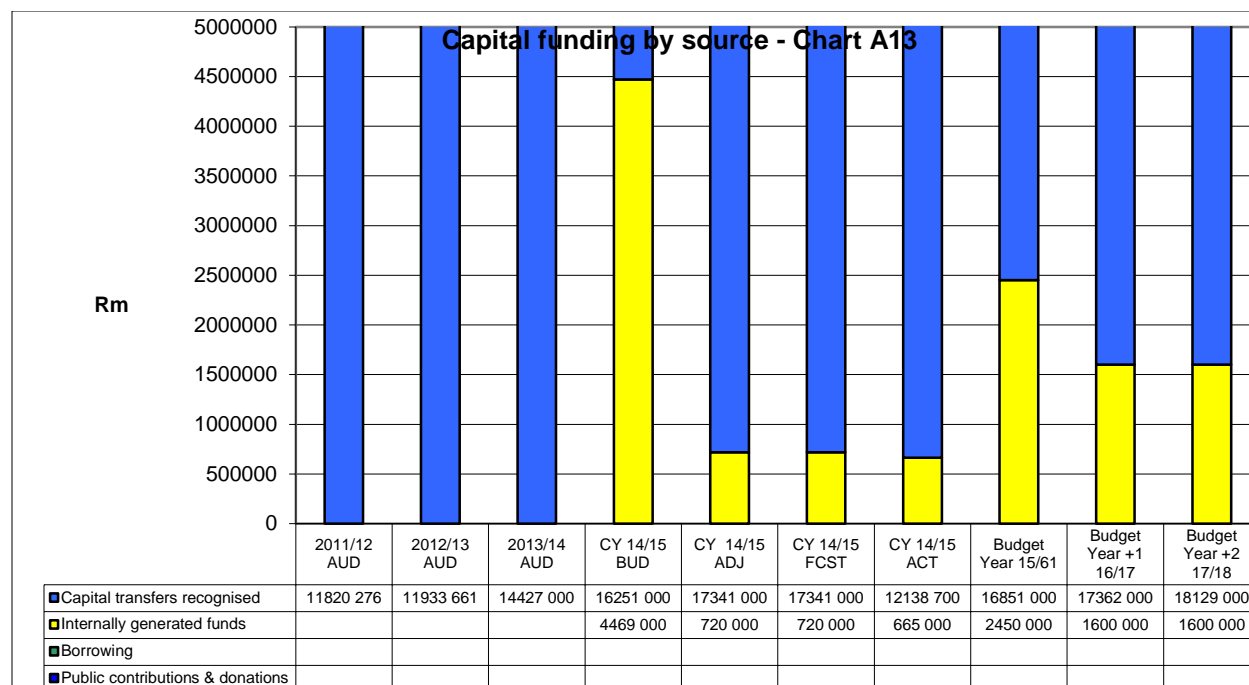












**MKHAMBATHINI MUNICIPALITY**  
**SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2015/2016**



All municipalities are required in terms of the Municipal Finance Management Act to prepare the Service Delivery and Budget Implementation Plan. The SDBIP is intended to give effect to the Integrated Development Plan and the budget

**1.1 Legislative Framework**

☐ The Municipal Systems Act 32 of 2000 requires all municipalities to adopt an Integrated Development Plan that identifies developmental priorities and align municipal resources and capacity with the implementation plan.  
The Integrated Development Plan among other things captures the vision, strategic objectives, key performance indicators, strategies and the financial plan.

☐ The Municipal Finance Management Act 56 of 2003 places an obligation on Municipalities to prepare an annual budget which sets out indicative revenue per source and projected expenditure by vote.

☐ In terms of Sec 53 (1) c) (ii) and 68 (3) (a) of the Municipal Finance Management Act 56 of 2003, municipalities are required to prepare the Service Delivery and Budget Implementation Plan. The Act defines the plan as a detailed plan approved by the Mayor of a Municipality for implementing the municipality's delivery of services and its annual budget, and which must indicate

- a) Projections for each month of –
  - i) Revenue to be collected, by source, and
  - ii) Operational and capital expenditure, by vote
- b) Service delivery targets and performance indicators for each quarter;
- c) Any other matter that may be prescribed and includes any revision of such plan by the mayor in terms of section 54 (1) c)

**1.2 Overview**

The Integrated Development Plan serves as a vital instrument to express the developmental objectives and priorities of the municipality. It identifies the strategic issues that need to be addressed by the municipality to fulfill the developmental mandate as pronounced in the constitution of the Republic of South Africa

**2. Background to the Budget Preparation Process**

Mkhambathini municipality has prepared its budget in accordance with the provisions of chapter 4 of the Municipal Finance Management Act 56 of 2003. The budget focuses on priorities identified in the Integrated Development Plan. It therefore gives effect to strategic priorities of the municipality. The powers and functions assigned to the municipality serve as a guide in the process of developing the municipal budget. The schedule of key deadlines were tabled on 29 August 2014 following the adoption of the draft IDP review. The tabling of the Budget at Council on the 29 May 2015 was followed by extensive publication of the budget, inviting comments from all municipal stakeholders. Various public and community consultative meetings were conducted to receive representations and submissions from ward committees, residents, community organizations, organized business and other stakeholder formations

COMPONENT 1 - MONTHLY PROJECTIONS OF REVENUE BY SOURCE

|   | Budget<br>July<br>2015 | Budget<br>August<br>2015 | Budget<br>September<br>2015 | Budget<br>October<br>2015 | Budget<br>November<br>2015 | Budget<br>December<br>2015 | Budget<br>January<br>2016 | Budget<br>February<br>2016 | Budget<br>March<br>2016 | Budget<br>April<br>2016 | Budget<br>May<br>2016 | Budget<br>June<br>2016 | Budget<br>Full Year<br>2015/2016 |
|---|------------------------|--------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|-----------------------|------------------------|----------------------------------|
| <u>Monthly Projections of Revenue by Source</u> |                        |                          |                             |                           |                            |                            |                           |                            |                         |                         |                       |                        |                                  |
| Property rates                                  | 954 516                | 954 516                  | 954 516                     | 954 516                   | 954 516                    | 954 516                    | 954 516                   | 954 516                    | 954 516                 | 954 516                 | 954 516               | 954 516                | 11 454 188                       |
| Service Charges Electricity                     |                        |                          |                             |                           |                            |                            |                           |                            |                         |                         |                       |                        |                                  |
| Service Charges - Water                         |                        |                          |                             |                           |                            |                            |                           |                            |                         |                         |                       |                        |                                  |
| Service Charges Sanitation                      |                        |                          |                             |                           |                            |                            |                           |                            |                         |                         |                       |                        |                                  |
| Service Charges -Refuse                         |                        |                          |                             |                           |                            |                            |                           |                            |                         |                         |                       |                        |                                  |
| Service Charges- Other                          |                        |                          |                             |                           |                            |                            |                           |                            |                         |                         |                       |                        |                                  |
| Rental Facilities and Equipment                 |                        |                          |                             |                           |                            |                            |                           |                            |                         |                         |                       |                        |                                  |
| Interest earned - external investment           | 66 667                 | 66 667                   | 66 667                      | 66 667                    | 66 667                     | 66 667                     | 66 667                    | 66 667                     | 66 667                  | 66 667                  | 66 667                | 66 667                 | 800 000                          |
| Interest earned Outstanding Debtors             | 106 000                | 106 000                  | 106 000                     | 106 000                   | 106 000                    | 106 000                    | 106 000                   | 106 000                    | 106 000                 | 106 000                 | 106 000               | 106 000                | 1 272 000                        |
| Government grants- Operational                  | 5 489 417              | 5 489 417                | 5 489 417                   | 5 489 417                 | 5 489 417                  | 5 489 417                  | 5 489 417                 | 5 489 417                  | 5 489 417               | 5 489 417               | 5 489 417             | 5 489 417              | 65 873 000                       |
| Licences and permits                            | 406 083                | 406 083                  | 406 083                     | 406 083                   | 406 083                    | 406 083                    | 406 083                   | 406 083                    | 406 083                 | 406 083                 | 406 083               | 406 083                | 4 873 000                        |
| Other Income                                    | 32 000                 | 32 000                   | 32 000                      | 32 000                    | 32 000                     | 32 000                     | 32 000                    | 32 000                     | 32 000                  | 32 000                  | 32 000                | 31 913                 | 383 913                          |
| Fines   | 3 417                  | 3 417                    | 3 417                       | 3 417                     | 3 417                      | 3 417                      | 3 417                     | 3 417                      | 3 417                   | 3 417                   | 3 417                 | 3 545                  | 41 128                           |
| <b>Total Revenue by Source</b>                  | <b>7 058 099</b>       | <b>7 058 099</b>         | <b>7 058 099</b>            | <b>7 058 099</b>          | <b>7 058 099</b>           | <b>7 058 099</b>           | <b>7 058 099</b>          | <b>7 058 099</b>           | <b>7 058 099</b>        | <b>7 058 099</b>        | <b>7 058 099</b>      | <b>7 058 136</b>       | <b>84 697 229</b>                |



| COMPONENT 2 - MONTHLY PROJECTIONS OF OPERATING EXPENDITURE BY VOTE |           |           |           |           |           |           |           |           |           |           |           |           |                         |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------------|
|  | Jul-15    | Aug-15    | Sep-15    | Oct-15    | Nov-15    | Dec-15    | Jan-16    | Feb-16    | Mar-16    | Apr-16    | May-16    | Jun-16    | Year Total<br>2015/2016 |
| <b>OPERATING EXPENDITURE BY VOTE</b>                               |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <b>DEPARTMENT: MUNICIPAL MANAGER</b>                               |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <u>Vote: Governance and Administration</u>                         |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Function: Executive & Council                                      |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Sub-function: Council  | 608 250   | 608 250   | 608 250   | 608 250   | 608 250   | 608 250   | 608 250   | 608 250   | 608 250   | 608 250   | 608 250   | 608 250   | 7 299 000               |
| Sub-function: Municipal Manager                                    | 134 583   | 134 583   | 134 583   | 134 583   | 134 583   | 134 583   | 134 583   | 134 583   | 134 583   | 134 583   | 134 583   | 134 583   | 1 615 000               |
| <b>DEPARTMENT: CORPORATE SERVICES</b>                              |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <u>Vote: Governance and Administration</u>                         |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Function: Corporate Services                                       | 1 216 167 | 1 216 167 | 1 216 167 | 1 216 167 | 1 216 167 | 1 216 167 | 1 216 167 | 1 216 167 | 1 216 167 | 1 216 167 | 1 216 167 | 1 216 167 | 14 594 000              |
| <b>DEPARTMENT: BUDGET &amp; TREASURY</b>                           |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <u>Vote: Governance and Administration</u>                         |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Function: Budget & Treasury  | 1 526 917 | 1 526 917 | 1 526 917 | 1 526 917 | 1 526 917 | 1 526 917 | 1 526 917 | 1 526 917 | 1 526 917 | 1 526 917 | 1 526 917 | 1 526 917 | 18 323 000              |
| <b>DEPARTMENT: COMMUNITY SERVICES</b>                              |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <u>Vote: Community and Public Safety</u>                           |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Function: Community & Social Services                              | 1 267 667 | 1 267 667 | 1 267 667 | 1 267 667 | 1 267 667 | 1 267 667 | 1 267 667 | 1 267 667 | 1 267 667 | 1 267 667 | 1 267 667 | 1 267 667 | 15 212 000              |
| Sub-function: Public Library                                       | 169 167   | 169 167   | 169 167   | 169 167   | 169 167   | 169 167   | 169 167   | 169 167   | 169 167   | 169 167   | 169 167   | 169 167   | 2 030 000               |
| Sub Function : VR & Testing  | 285 667   | 285 667   | 285 667   | 285 667   | 285 667   | 285 667   | 285 667   | 285 667   | 285 667   | 285 667   | 285 667   | 285 667   | 3 428 000               |
| Sub Function : Solid Waste   |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <b>DEPARTMENT: TECHNICAL</b>                                       | 1 762 083 | 1 762 083 | 1 762 083 | 1 762 083 | 1 762 083 | 1 762 083 | 1 762 083 | 1 762 083 | 1 762 083 | 1 762 083 | 1 762 083 | 1 762 083 | 21 145 000              |
| <b>TOTAL BY VOTE</b>   | 6 970 500 | 6 970 500 | 6 970 500 | 6 970 500 | 6 970 500 | 6 970 500 | 6 970 500 | 6 970 500 | 6 970 500 | 6 970 500 | 6 970 500 | 6 970 500 | 83 646 000              |



## COMPONENT 2 - MONTHLY PROJECTIONS OF CAPITAL EXPENDITURE BY VOTE

|  | Jul-15    | Aug-15    | Sep-15    | Oct-15    | Nov-15    | Dec-15    | Jan-16    | Feb-16    | Mar-16    | Apr-16    | May-16    | Jun-16    | Year Total<br>2015/2016 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------------|
| <b>CAPITAL EXPENDITURE BY VOTE</b>               |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <b>DEPARTMENT : MUNICIPAL MANAGER</b>            |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <u>Vote: Governance and Administration</u>       | 204 167   | 204 167   | 204 167   | 204 167   | 204 167   | 204 167   | 204 167   | 204 167   | 204 167   | 204 167   | 204 167   | 204 167   | 2 450 000               |
| Function: Executive & Council                    |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Sub-function: Municipal Manager                  |           |           |           |           |           |           |           |           |           |           |           |           | -                       |
| <b>DEPARTMENT: CORPORATE SERVICES</b>            |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <u>Vote: Governance and Administration</u>       |           |           |           |           |           |           |           |           |           |           |           |           | -                       |
| Function: Corporate Services                     |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Sub-function: Corporate Services                 |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <b>DEPARTMENT: BUDGET &amp; TREASURY</b>         |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <u>Vote: Governance and Administration</u>       |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Function: Budget & Treasury                      |           |           |           |           |           |           |           |           |           |           |           |           | -                       |
| Sub-function: Budget & Treasury                  |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <b>DEPARTMENT: PLANNING</b>                      |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <u>Vote: Economic and Environmental Services</u> |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Function: Development & Planning                 |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Sub-function: Planning & Development             |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <b>DEPARTMENT: COMMUNITY SERVICES</b>            |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <u>Vote: Community and Public Safety</u>         |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Function: Community & Social Services            |           |           |           |           |           |           |           |           |           |           |           |           | -                       |
| Sub-function: Other Community                    |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Function: Library                                |           |           |           |           |           |           |           |           |           |           |           |           | -                       |
| Sub-function: Police & Other                     |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <b>DEPARTMENT: TECHNICAL</b>                     |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Sub-function: Technical                          | 1 404 250 | 1 404 250 | 1 404 250 | 1 404 250 | 1 404 250 | 1 404 250 | 1 404 250 | 1 404 250 | 1 404 250 | 1 404 250 | 1 404 250 | 1 404 250 | 16 851 000              |
| <b>DEPARTMENT: LICENSING</b>                     |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| Function: Corporate Services                     |           |           |           |           |           |           |           |           |           |           |           |           | 0                       |
|  |           |           |           |           |           |           |           |           |           |           |           |           |                         |
| <b>TOTAL BY VOTE</b>                             | 1608416.7 | 1608416.7 | 1608416.7 | 1608416.7 | 1608416.7 | 1608416.7 | 1608416.7 | 1608416.7 | 1608416.7 | 1608416.7 | 1608416.7 | 1608416.7 | 19301000                |